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Free Trade + Democratization = Development? The European Union' Maghreb
Policy

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Summary

1. This study examines European Mediterranean policy as exemplified in EU relations with the Maghreb countries. The specific object of analysis is the „Euro-Mediterranean partnership“, which began with the „Euro-Mediterranean“ conference in Barcelona on 27–8 November 1995.
2. Since 1957, the history of the European Community's Mediterranean policy has been marked by a discrepancy between lofty aspirations and sobering practical achievements. The economic difficulties in the Maghreb have become more acute: in the 1970s and 1980s, the various association agreements did nothing to reduce the developmental gap between Europe and the North African countries.
3. With the end of the East–West conflict, the advent of German unity, and the planned eastward expansion of the EU, the southern member-states saw themselves being forced onto the sidelines in terms of the representation of their interests, and they set about championing a Mediterranean initiative – analogous to the eastward line being pursued by the EU. This coincided with the Maghreb countries' aim of improving the competitiveness of their national economies through economic co-operation with, and financial support from, the EU.
4. The Barcelona conference approved an ambitious programme. The aim of the *first pillar* is political and security co-operation in the Mediterranean region. Demands here include observance of human rights, democratic norms, pluralism, and territorial integrity. The signatory states also undertake to settle their conflicts peacefully and to take measures to combat terrorism and organized crime. The *second pillar* deals with the gradual creation, by the year 2010, of a Euro-Mediterranean free-trade area. The aim of the *third pillar* is co-operation in the social and cultural domain. Action is to be taken to promote dialogue and respect for different cultures and religions, to combat racism and hostility to foreigners, and to improve cultural exchange and educational and training facilities. The European Union has made 4.685 billion ECUs available from its budget-funds for this purpose. This sum is supplemented by credits totalling 3.395 billion ECUs from the European Investment Bank and bilateral contributions from individual member-states.
5. The basic philosophy of the Barcelona process is that development in the Mediterranean region will best be assured by the introduction of market economics and democracy, and that financial help and advice from the EU can mitigate the conflicts associated with this. The EU policy consists of a combination of classic free-trade policy (chiefly of benefit to the EU itself) and a process of dialogue intended to create a communicational framework for regulating political, economic, and social conflicts in the Mediterranean area.

6. As far as the security dimension is concerned, in the first three years of the Barcelona process, co-operation has moved no further than an (arduous) exchange over confidence-building; concrete agreements are still a distant prospect. In the second – economic – pillar, activities have proceeded largely without a hitch. The main problems in regard to implementation lie in the third area of co-operation, on the question of democratization and contacts between the various civil societies. Here, the structure of the ruling regimes in the Maghreb is affected; here, they seek to block or control the process of dialogue.
7. The creation of the free-trade area is one of those large-scale structural adjustment programmes of the type commonly imposed on the developing countries since the 1980s by international financial organizations such as the World Bank and the International Monetary Fund. The economy is to be denationalized and deregulated, and the political-cum-administrative system is to be slimmed down and reoriented to promote the productive sectors of the national economy. The chances of the European Union and the southern Mediterranean countries achieving the stated objectives by means of the proposed free-trade area must, however, be viewed with the utmost circumspection. It is very unlikely that producers in the southern Mediterranean countries will be able, through rationalization and modernization, to get anywhere near the European levels of efficiency in a short space of time. The free-trade area will also mean the disappearance of tariff revenues that have previously played a major part in financing the national budget. These revenues served chiefly to fuel not only the prevailing clientelist power-structures but also, to a limited extent, social relief-measures (such as basic food subsidies).
8. The Euro-Maghreb free-trade area will therefore only have a beneficial effect on development if functioning export-industries emerge. In view of the internally weak capital-market and the relatively high technological requirements, it would have to be via foreign direct investments – particularly European ones – that capital and technology flowed into the Mediterranean countries. As compared with the status quo, the free-trade area would considerably improve the chances of such investments. But the latter depend on the availability of qualified manpower and adequate services, on the presence of suitable conditions of supply and waste-disposal, and on whether the legal and institutional framework-conditions are favourable and taxes and levies are low. In comparison with other regions of the world, however, the Maghreb does not display any particularly advantageous locational features when it comes to direct investment from abroad.
9. One last option would be for the Maghreb countries to be able to exploit the increased access to the European markets in order to sell agricultural products and finished goods such as textiles and clothing. But this is precisely the domain in which EU import barriers still apply – albeit to a lesser degree than at the time of Barcelona. The southern EU member states, who are the most vociferous in their support for a European policy on the Mediterranean, are precisely the ones who are particularly keen to insulate themselves against Maghreb competition.

10. The creation of a large-scale free-trade area in the Mediterranean region requires – in addition to changes in the economic order – complementary action to reorganize state finances, render the administrative structures of the state functional, and build up modern social-security systems. Until the end of the 1980s, the economies of the Maghreb – embedded within a highly ramified clientelist system – remained under strict state control. Reform of the economy therefore also implies changes to the systems of rule in the Maghreb. In this connection, the EU is banking on „civil society“. And in fact, since the end of the 1980s, the process of structural adjustment has led to society differentiating into professional associations, women's groups, human-rights organizations, and other non-governmental organizations. However, it remains to be seen whether this is sufficient as a basis for a process of democratization.
11. The EU cannot push through economic and political transformation in the face of the apparatuses of power – even if it wanted to. The EU is therefore confronted with a dilemma: on the one hand, it needs the compliance of the *élites* in order to get the economic and political reform-process going; on the other, the implementation of the Barcelona process will encroach on the power-based economic and political interests of those *élites*. The effect of a comprehensive policy of opening-up would be to strengthen the position of other (private) economic actors and political forces *vis-à-vis* the old *élites*. In this connection, one cannot exclude the possibility that – as a result of social dislocations prompted by the Barcelona process – Islamist forces would acquire even stronger influence.
12. The strategy of modernization aimed at in the Barcelona process is intended to alter the balance of power between state and society. The EU aims to prevent any attempt which forces opposed to reform might make to block such a development. But it also wants to ensure that the free spaces that are to be created for social actors are not occupied by movements of an anti-Western/anti-European bent that are hostile to the principles and norms set out in the Barcelona document. However, the possibility that the social dislocations that will be brought about by the Barcelona process in the transitional phase will enhance rather than weaken Islamist forces cannot, so it seems, be excluded – in fact, it is quite likely. As far as the future of Euro-Maghreb co-operation is concerned, therefore, the question of how European states and societies deal with the possibility of increased Islamist influence in the region (up to an including the sharing or assumption of power) is a crucial one.
13. Neither Islam as a religion nor Islamism as an ideology is fundamentally hostile to the capitalist market economy. The new „Islamic order“ called for by the Islamist opposition-movements therefore does not have to be either a regression to the medieval Muslim world or a rejection of Western capitalism and economic co-operation.
14. Islam combines within itself elements that are „hostile to democracy and pluralism“ and elements „conducive to democracy“. Amongst the „hostile“ factors used by radical Islamist groupings as an argument for creating a „theocracy“ is the requirement for unity between politics and religion and the rejection of secularist tendencies. The goal is the creation of an „Islamic state“ regulated by the *sharia*. But pronouncements about the extent to which the Islamist opposition in the Maghreb is „capable of de-

mocracy“ will necessarily be unsatisfactory if the only thing to which its notions of political and economic order are contrasted is a model of democracy of European-cum-North-American stamp. The political-cum-religious concepts of the Islamists ought also to be set against the democratic plus and minus points of their respective governments. Since it is likely that, in the long term, Islamist groups will occupy a permanent place in the political spectrum of the Maghreb countries, and that they will become major actors in the formation of a „civil society“, the present „exclusion policy“ is counterproductive. It encourages the militant Islamist trends.

15. If one considers the three countries under scrutiny here, their chances of being able to put what the Barcelona process has to offer for their social and political development to use in line with the above expectations varies. Algeria appears to be furthest away from being able to participate in the free-trade area with a diversified export and import structure; its internal political situation is so jammed that even the communication framework in the third pillar of the Barcelona process will probably not have any effect in the foreseeable future. Of the three Maghreb countries, Tunisia is the furthest advanced in structural adjustment, but this process is currently coming up against the limits imposed on it by the political inflexibility of Ben Ali's regime. At present, it looks as if Morocco has the best chance of combining structural adjustment in the economy with a liberalization and pluralization of the political regime. One explanation for this may be that the country's monarchical system of government is better able to implement economic and social adjustment because it depends for its legitimisation not so much on populist-cum-republican authoritarianism – of the sort that prevails in Algeria and Tunisia – but on tradition and on the fact that the king controls the military.
16. The report closes with recommendations for a deepening of the Barcelona process. The markets of the EU should be opened up completely to suppliers from the Maghreb, particularly in the agricultural domain and textile production. If necessary, the southern EU states, which are resisting having a fully-fledged free-trade area in these sectors as well, would have to secure compensation elsewhere. The advantages to the Maghreb countries would, at all events, be much greater than the disadvantages to the EU. As regards future implementation, the EU should make specialist training-programmes and local credit-schemes a particular requirement. Even more important, however, is that assistance with democratization be directed to a greater extent than at present on the promotion of „civil society“. Given the power on which it can draw, the European Union can push more strongly for non-state groups to be involved. Although the development of an intra-societal diversity of interests also includes the development of groups that do not correspond with Western notions of a civil society, Islamist movements should not be excluded from the Euro-Mediterranean dialogue.

1. Introduction and Scope*

The virtually hopeless situation in what is becoming an ever more tangled civil war in Algeria, the terrorist attacks by Islamic extremists in Egypt, and the jeopardy in which the peace process between Israel, the Palestinians, and their Arab neighbours is being placed by death-squads and suicide attacks – all this comes together to form a picture of the Mediterranean as a region of unrest, and of an „Islamic threat“ against which Europe needs to protect itself.

It is therefore not surprising that the theses put forward by the American political scientist Samuel P. Huntington concerning a „clash of civilizations“ – which would, he claimed, take the place of the previous confrontation between democracy and communism – should have caused a furore.¹ And soon after this, former NATO Secretary-General Willy Claes claimed that, following the end of the East–West conflict, it was now „Islam“ that represented the greatest danger to the West.²

Even those who refuse to be intimidated by horror scenarios are forced to acknowledge that the Islamic world is currently going through a phase of breakneck upheavals, which are not infrequently mirrored in inward and outward violence. Persistent shortcomings in development, partly rooted in the Ottoman style of rule that endured until the end of the First World War, and partly deriving from the period of colonial dependency; the unresolved Arab–Israeli conflict; border disputes; inter-state wars; civil wars between authoritarian regimes and Islamic movements or terrorist groups; a meteoric rise in population, with which even the fastest economic growth-rates could not keep pace; the threatened development of weapons of mass destruction – all this is perceived as making up a „Mediterranean arch of crisis“ extending from the conflict in Western Sahara to the disputes between Turks and Kurds, and causing turbulence that directly affects Europe.³

Against this background, at a conference of foreign ministers held in Barcelona on 27–8 November 1995, the member states of the European Union joined with all the states on the southern edge of the Mediterranean (except Libya) and on the eastern edge (including Jor-

* PRIF interns Frank Gukelberger, Katja Irle, and Pablo Reyes Vallet helped with earlier versions of this Report by undertaking bibliographical searches and providing initial drafts of parts of the text. Berthold Meyer, originally my co-author, also contributed a number of passages. I am very grateful to all four colleagues for their help, but sole responsibility for the end-result of course lies with me.

1 Samuel P. Huntington, *The Clash of Civilizations*, New York (Simon & Schuster), 1996. For critical comment, see Harald Müller, *Der Kampf der Kulturen findet nicht statt* (HSFK-Standpunkte, 98/5), Frankfurt/M., 1998, and id., *Das Zusammenleben der Kulturen: Ein Gegenentwurf zu Huntington*, Frankfurt/M. (Fischer), 1998.

2 Independent, 8 Feb. 1995, quoted from Ahmed Aghrout/Martin S. Alexander, *The Euro-Mediterranean New Strategy and the Maghreb countries*, in: *European Foreign Affairs Reviews*, Vol. 2, No. 3, 1997, pp. 307–28, this ref. 310.

3 By way of a historical overview, see Reinhard Schulze, *Geschichte der islamischen Welt im 20. Jahrhundert*, Munich (Beck), 1994.

dan and Palestinian representatives) in calling for the creation of a „Euro-Mediterranean partnership“, with a view to „turning the Mediterranean basin into an area of dialogue, exchange and co-operation guaranteeing peace, stability and prosperity“, and to do this by „a strengthening of democracy and respect for human rights“.⁴

This „Barcelona process“ consists of a form of political/security co-operation that encompasses: respect for human rights, democratic norms, and pluralism; the gradual introduction of a free-trade area by the year 2010; co-operation in the social and cultural sphere.

Restriction to the Maghreb Region

This study focuses on these three „pillars“ of the Barcelona process, confining itself to relations with the Maghreb region, and again, within this category, to Tunisia, Algeria, and Morocco.⁵ This approach is dictated to some extent by practical considerations, but also by the content itself.

For one thing, the „Mediterranean arch of crisis“ includes a host of very different conflicts, each of which would require its own analysis. It is true that the European Union's Mediterranean initiative is directed at the whole region, but even the European Community (of the Six) devoted special attention to the Maghreb. Because of colonial history and numerous cultural links, all three Maghreb countries are very much geared to Europe. It was therefore no coincidence that, in the run-up to the Barcelona process, the EC Commission had focused its original proposal for a Mediterranean initiative on this region.

Secondly, the Maghreb forms a distinct – albeit very loosely connected – entity amongst the countries along the southern and eastern edges of the Mediterranean. Although the economic, social, and political circumstances differ to such an extent that the Arab Maghreb Union formed by Libya, Tunisia, Algeria, Morocco, and Mauritania in February 1989 has scarcely moved beyond paper declarations,⁶ this endeavour in itself reflects a feeling of belonging together and of being under pressure from the same kinds of problems. It is no accident that the word „Maghreb“ still exists today – even though, in its sense of „far West“, it has its roots in another age, marked by different geographical-cum-political circumstances.⁷

The attempt to focus on relations with the Maghreb countries when analysing European Mediterranean policy can, thirdly, only be justified on content-related grounds if there is good reason to suppose that relations between the Maghreb countries and the EU are not

4 Abschlußerklärung der Mittelmeer-Konferenz der Europäischen Union am 27. und 28. November 1995 in Barcelona, in: *Internationale Politik*, Vol. 51, No. 2, 1996, pp. 107-122, this ref. 108.

5 Relations with Libya are not considered; a separate study would be needed for these.

6 On this, see Ahmed Aghrout/Keith Sutton, *Regional Economic Union in the Maghreb*, in: *The Journal of Modern African Studies*, Vol. 28, No. 1, 1990, pp. 115-39; also Eva Weidnitzer, *Die Union du Maghreb Arabe: Probleme maghrebinscher Zusammenarbeit und die Suche nach einer neuen Partnerschaft mit der EG* (Berlin: Deutsches Institut für Entwicklungspolitik), 1992.

7 On the history of the term „Maghreb“, see Hartmut Kistenfeger, *Maghreb-Union und Golfat: Regionale Kooperation in der arabischen Welt* (Forschungsinstitut der Deutschen Gesellschaft für Auswärtige Politik: Arbeitspapiere zur Internationalen Politik, No. 89), Bonn, Dec. 1994, pp. 16-21.

entirely dictated by the Middle East conflict, dominating as it does the Mediterranean region. Positively speaking, numerous arguments can be cited which indicate that the successful conclusion of the Barcelona conference in November 1995 would not have been possible had it not been for the initiation of the peace process in the Middle East. Negatively speaking, the meagre results of the follow-up meeting to Barcelona, in La Valletta in April 1997, were blamed on the stagnation and reverses in Arab–Israeli relations. And yet the Barcelona process was conceived of independently of the state of the Middle East conflict; even now, despite the crises in the Arab–Israeli peace-process, it continues to be implemented. It may therefore be assumed that it is developing a momentum of its own – as was done by the CSCE process, which was influenced by the overall situation in East–West relations and yet helped overcome the East–West conflict.⁸

Scope

The „basic philosophy“ of the Barcelona declaration is that security in the Mediterranean region can best be ensured by the states of the region developing into democratic societies with capitalist market economies. Euro-Mediterranean co-operation is designed to aid progress towards this goal, through financial help from the European Union, and also to absorb the social costs. It is a combination of classic EU foreign policy, in the form of the promotion of free trade, and a process of dialogue aimed at creating a communicative structure for the regulation of political, economic, and social conflicts in the region. As a programme *also* intended to promote democracy, the Barcelona process implies a change in the systems of rule in those societies of the southern and eastern Mediterranean currently under authoritarian control.

The present Report asks what chance this approach has of succeeding.

The first task is to establish whether the free-trade area will help bring about economic prosperity and peace in the region. Is it not much more likely – as many fear – to widen yet further the gap in prosperity between the northern and southern Mediterranean? Will it make the social upheavals in the Maghreb countries even more acute, thus giving added succour to extremist Islamic movements which in fact ought to have the ground cut from under their feet?

Secondly, one needs to ask whether there is, in fact, any realistic possibility at all of promoting the democratization of the Maghreb countries via the Barcelona process. Can the power-groups that dominate in the Maghreb be persuaded to effect an opening-up of their regimes that goes beyond a mere cosmetic adjustment of the present method of exercising power? Where the Maghreb is concerned, is the idea of stimulating democracy from the outside even conceivable? Is there not a danger that free spaces created by liberalization and democratization will be filled by Islamic movements that threaten to call crucial elements of the Barcelona process into question? How should the relationship of Islam, or Islamic movements, to capitalist economic reform and Western democracy be viewed overall? Can the Euro-Mediterranean dialogue between cultures and religions agreed on in Bar-

8 For a detailed account of this role of the CSCE, see Peter Schlotter, *Die KSZE im Ost-West-Konflikt: Wirkung einer internationalen Institution*, Frankfurt/M. (Campus), 1998.

celona strengthen the nascent „civil societies“ in the Maghreb and bolster internal processes of democratization?

In short, what we have to do is find out whether the formula „free trade + democratization = development“ is a valid one for the Maghreb.

2. Ambitious Goals, Meagre Results: The European Community's Mediterranean Policy up to 1995

A protocol to the 1957 Rome Treaties already makes mention of Morocco and Tunisia, which at that time had just become independent.⁹ The privileged economic relations which these two states enjoyed with France were to remain unaffected by the foundation of the EEC. In addition, association was offered to all non-European states and regions with special relations to an EEC member; in 1969, two partial-association agreements were concluded with Tunisia and Morocco. Both states were to open up their markets to Community exports – though they could still impose tariffs – and in return, they would be granted free access to the markets of the Six for almost all their industrial products.

The first-generation agreements highlighted a fundamental problem in economic relations between the states on the northern and southern edges of the Mediterranean.¹⁰ The economies of these countries continue even today to be based mainly on the export of raw materials and semi-finished agricultural and mining products (minerals). From the outset, the volume of potential exports to the Community was therefore limited; what was involved was mainly textile goods. At the same time, Morocco and Tunisia were of great interest as potential markets for European products. Despite the tariffs, the industrial goods produced in the Community had an easy time getting established, one reason being that they did not have to face American or Asian competition and there were no domestic products able to rival them. The problems inherent in these association agreements therefore rapidly became apparent. They increased the asymmetry in the trade between the EEC and the Maghreb states.¹¹

9 Algeria was still part of France at this time.

10 For a detailed account of what follows here, see: Ahmed Aghrout/Andrew P. Geddes, *The Maghreb and the European Union: From Development Cooperation to Partnership?*, in: *International Politics*, Vol. 33, No. 3, 1996, pp. 227–43; Bichara Khader, *Le Partenariat euro-méditerranéen après la conférence de Barcelone*, Paris (L'Harmattan), 1997, pp. 27–66.

11 For a detailed account of this, see Marjorie Lister, *The European Union and the South: Relations with Developing Countries*, London (Routledge), 1997, pp. 79–87; George Joffé, *The European Union and the Maghreb*, in: Richard Gillespie (ed.), *Mediterranean Politics*, Vol. 1, London (Pinter), 1994, pp. 22–45.

The ineffectiveness of Mediterranean policy to date prompted the EC states to take a second run at it in October 1972.¹² The new „global Mediterranean policy“ embraced not only trading relations but also economic and financial co-operation (via financial protocols), social affairs (immigrants from these states were granted privileged status in regard to social security), political dialogue (annual meetings of a joint ministerial council, supported by a committee at ambassadorial level and permanent representatives of the commission in the states concerned), and scientific and technical co-operation.

However, the central feature of the „second-generation“ agreements with Tunisia, Morocco, and Algeria – which had no time-limit – continued to be trade relations. The Maghreb states were granted free access to the European Market for their industrial goods and also a reduction in tariffs on certain agricultural goods. These ranged from 20 per cent to 80 per cent depending on the product.¹³

After several years of application of the agreements, the picture remained a sobering one. In the area of trade relations in particular, there had been no success in tempering the huge imbalance.¹⁴ In 1989, just under 65 per cent of exports from the Maghreb countries went to the EC, whereas in 1990 imports from the region accounted for only just over 4 per cent of total imports to the EC.¹⁵ Although economic developments in the EC from the mid-1980s also had positive effects on the economies of the Maghreb – mainly thanks to the influx of European currencies (brought about by the higher numbers of tourists and the transfers of money from labour migrants in Europe) – this was offset by a disproportionate growth in imports from the EC. In addition, the EC restrictions in the textile and agricultural sectors prevented the Maghreb countries from exploiting potential production-advantages in this area.¹⁶ The greatest shortcoming of the „global Mediterranean policy“ lay, firstly, in its inability to awaken the interest of private investors in the Mediterranean area and, secondly, in the minimal impact of EC financial support on the economic and social situation in the region.

The southward expansion of the EC made the Maghreb's situation even worse. Its economy had to compete with the EC's new southern members in the same product-range, but these

12 On what follows, see Christopher Piening, *Global Europe: The European Union in World Affairs*, Boulder (Lynne Rienner), 1997, pp. 72–6.

13 See the detailed account in Bernabé López García/Jesús A. Nuñez Villaverde, *Europe and the Maghreb: Towards a Common Space*, in: Peter Ludlow (ed.), *Europe and the Mediterranean*, London/New York (Brassey's), 1994, pp. 127–46, this ref. 133.

14 A chronic balance-of-trade deficit on the part of Morocco and Tunisia was, and continues to be, a hallmark here. The picture is different if one takes the figures for the Maghreb as a whole (Mauretania, Morocco, Algeria, Tunisia, Libya). On this view, in 1989, for example, the Maghreb countries showed a surplus in their balance of trade. This was, however, due in great part to Algerian and Libyan oil-exports.

15 Richard Pomfret, *The European Community's Relations with the Mediterranean Countries*, in: John Redmond (ed.), *The External Relations of the European Community: The International Response to 1992*, New York 1992, p. 78.

16 From 1978, they were requested „voluntarily“ to restrict their textile exports to the EC so that European suppliers would be protected.

members were superior to them in technology and productivity. Demand for many agricultural and manufactured products could now be satisfied by the EC's own production.

At the end of the 1980s and beginning of the 1990s, the Maghreb countries therefore had plenty of reason to be dissatisfied with the results of the trade and co-operation agreements that had been concluded up to that time.¹⁷ In addition, there was the fear that the realization of the internal European market, which was now clearly on the cards, would result in a „fortress Europe“.¹⁸ The end of the East–West conflict delivered a final blow: the high levels of financial support given by the European Community to the former socialist countries, and the improved economic access which the states of eastern central Europe in particular were accorded to the markets of the Twelve threatened to diminish the importance of the Maghreb countries even further.

Because of the continued ineffectiveness of the EC policy, in June 1990 the Commission unveiled a scheme for a „renovated Mediterranean policy“, which envisaged increased financial assistance and better access to the European markets for the countries bordering the Mediterranean. These proposals still fell within the usual well-trodden limits. It was only with the eruption of the Gulf War in 1991, the open expressions of support for Iraq amongst broad sections of the public in the Maghreb countries, the crisis in Algeria, and the *rapprochement* between Arabs and Israelis, that the EC was moved to carry out a wholesale reformulation of its policy.

After the fall of the Berlin Wall, the European Community's attention was initially focused on support for the political and economic transition of its eastern neighbours and on the deepening of its own process of integration. With this came the danger that the Maghreb countries would be pushed even further to the periphery of European interest. Italy, Spain, and France, in particular – those members located on the edge of the Mediterranean – therefore sought to draw the attention of their northern partners to the problems of the Mediterranean region.¹⁹ In so doing, they were able to link into various activities that had gone on outside the EC framework in the 1970s and 1980s.²⁰

This new development within the EC was the result of a revised assessment of the susceptibility of the Maghreb region to crisis. The European Community's Mediterranean policy had, since its inception, been primarily a matter for the southern member states; but with the process of European integration, which was increasingly making all members effectively Mediterranean – e.g. via the Schengen agreement – other members too were now forced to take a line on the problems and conflicts in this region. On top of this came the fear of the

17 See Alfred Tovas, *The EU's Mediterranean Policies under Pressure*, in: Richard Gillespie (ed.), *Mediterranean Politics*, Vol. 2, London (Pinter), 1996, pp. 9–25, this ref. esp. 10–18.

18 See Christopher Stevens, *The Impact of Europe 1992 on the Maghreb and Sub-Saharan Africa*, in: *Journal of Common Market Studies*, Vol. 29, No. 2, 1990, pp. 217–41.

19 See Jean-François Coustilière, *Une politique de l'Europe latine en Méditerranée occidentale*, in: *Défense nationale*, Vol. 48, No. 5, 1992, pp. 103–19.

20 A list of the various initiatives between 1979 and 1995 – e.g. the setting-up of a „Mediterranean Forum“, the „5+5 Talks“, and initiatives on a „Conference on Security and Co-operation in the Mediterranean Region“ (CSCM) – may be found in Jean-Jaques Kourliansky, *Les Enjeux de la Conférence euro-méditerranéenne*, in: *Relations Internationales et Stratégiques*, No. 20, 1995, p. 60.

southern EC members that they would be politically and financially marginalized as the eastward expansion that was now on the cards got under way. „To us, the Maghreb is what Eastern Europe is to Germany,“ announced the then Spanish foreign minister, Javier Solana, in 1995.²¹

However many differences there were over detail, all the EU member-states were unanimous in their assessment of the Maghreb region's overall proneness to conflict. The growth in strength of Islamic fundamentalism²² since the mid-1980s, especially in Algeria, fuelled fears of a domino-style „Islamic take-over“ and of the consequences this might have for neighbouring EU countries in terms of mass influxes of refugees. If one disregards scenarios envisaging an Islamic-fundamentalist Maghreb pursuing a policy of aggression extending to the military sphere,²³ military security problems in the narrower sense did not figure as a threat to Europe²⁴ – except in the case of Libya, which is not dealt with here.

In the unanimous view of the EU states, the key to the stabilization of the southern Mediterranean region lies in the economic and social welfare of the populations of the Maghreb.²⁵ Because the causes of political instability in the Mediterranean region are chiefly of a socio-economic nature, the primary aim of the European Union is to close the huge gap in prosperity between the countries bordering the Mediterranean and the members of the EU.

Because of their geographical position, those members of the EU that border on the Mediterranean are naturally more affected by negative developments in the South. Over 60 per cent of immigrants (about 6 million) in those EU countries that border on the Mediterranean come from the Maghreb (1992 figures).²⁶ The Mediterranean countries of the EU therefore have a particular interest in seeing that stable relations are maintained in the Mediterranean region, and they have put pressure on their northern partners to intensify Euro-Mediterranean relations. In so doing, they have prevented what from their point of view is a one-sided

21 Die Zeit, 24 Nov. 1995.

22 The terms used to denote Islamic fundamentalism in the relevant literature vary. It is often labelled „political Islam“; in France, the word „intégrisme“ is used. Here, I use the Anglo-Saxon term „Islamism“ to denote a specific type of reaction to processes of modernization and globalization and to avoid the connotation of a „return to the Middle Ages“ which attaches to the term „fundamentalism“. On this, see e.g. Heiner Bielefeldt/Wilhelm Heitmeyer, Introduction: Politisierte Religion in der Moderne, in: id. (ed.), Politisierte Religion: Ursachen und Erscheinungsformen des modernen Fundamentalismus, Frankfurt/M. (Suhrkamp), 1998, pp. 11–33.

23 See Ian O. Lesser, Security in North Africa: Internal and External Challenges (Santa Monica: Rand/Project Air Force), 1993.

24 On this, see the contributions by experts from the North African states in wuqûf, Vol. 9, 1994, Hamburg (edition wuqûf), 1995; also Fernando Faira/Alvaro Vasoncelos, Security in Northern Africa: Ambiguity and Reality (WEU Institute for Security Studies: Chaillot Papers, No. 25), Paris, Sept. 1996.

25 Annette Jünemann, Demokratischer Beistand oder Angst vor dem islamischen Nachbarn? Europa und Algerien, in: Kai Hafez (ed.), Der Islam und der Westen: Anstiftung zum Dialog, Frankfurt/M. (Fischer), 1997, pp. 125–38, this ref. 131.

26 Daniela Neuenfeld-Zvolsky, Das Konfliktpotential im Maghreb: Der Nachbar Europas zwischen Islamismus, Fortschritt und Migration (Konrad Adenauer Foundation: Internal Study 101), Sankt Augustin, 1995, p. 45.

EU fixation on supporting the transformation process in the former communist states of central and eastern Europe.

3. The Barcelona Conference

The newly awakened interest of the southern EC states manifested itself initially in a communication from the Commission to the Council on 29 April 1992, in which it was proposed that relations with Algeria, Morocco, and Tunisia be developed beyond existing co-operation, into a Euro-Maghreb partnership. Besides various forms of co-operation, the creation of a free-trade area was viewed as one of the major objectives of the future Euro-Maghreb agreement.

At the Lisbon meeting of the European Council in June 1992, the heads of state and government accepted most of the Commission's proposals.²⁷ They were subsequently extended, stage by stage, to the whole Mediterranean.²⁸ On 19 October 1994, the Commission finally unveiled a scheme for a comprehensive „Euro-Mediterranean partnership“, including the core elements of a free-trade area, and this was adopted without modification in December 1994, at the meeting of the European Council in Essen. The heads of state and government recommended convening a European Mediterranean conference at ministerial level in the second half of 1995, to which all the Mediterranean states concerned were to be invited.

Finally, at the European Council summit in Cannes on 25 and 26 June 1995 – after seven months of tough negotiations between the southern and northern member-states²⁹ – a financial-aid package of 4.685 billion ECUs, to cover the period 1995–9, was agreed for the Mediterranean countries. This represents 70 per cent of the financial support accorded to the central and eastern European states.

At the conference of foreign ministers in Barcelona on 27 and 28 November 1995, there were major arguments both behind the scenes and in front of them (notably between Syria

27 On the prelude to the Barcelona conference, see e.g. Jon Marks, *High Hopes and Low Motives: The New Euro-Mediterranean Partnership Initiative*, in: *Mediterranean Politics*, Vol. 1, No. 1, 1996, pp. 1–2; also Aghrout/Alexander, (n. 2); and the contributions from an EU perspective by Eberhard Rhein, *Mit Geduld und Ausdauer zum Erfolg: Die neue Mittelmeer-Politik der Europäischen Union*, in: *Internationale Politik*, Vol. 51, No. 2, 1996, pp. 1–20, and id., *Europe and the Mediterranean: A Newly Emerging Geopolitical Area?*, in: *European Foreign Affairs Review*, Vol. 1, No. 1, 1996, pp. 79–96.

28 The arguments about the extension of the Maghreb policy approach to the whole Mediterranean are described in Esther Barbé/Ferran Izquierdo, *Present and Future Joint Actions for the Mediterranean Region*, in: Martin Holland (ed.), *Common Foreign and Security Policy: The Record and Reforms*, London (Pinter), 1997, pp. 120–35.

29 Details may be found in Rhein, op cit. (n. 27), p. 83, and in John Calabrese, *Beyond Barcelona: The Politics of the Euro-Mediterranean Partnership*, in: *European Security*, Vol. 6, No. 4, 1997, pp. 86–110. See also Georg Joffé, *Europe and North Africa*, in: *Cambridge Review of International Affairs*, Vol. 10, No. 2, 1997, pp. 84–103.

and Israel) about the way the Middle East conflict was to be handled in the concluding document. The points of contention were: the mention of the right of peoples to self-determination, the non-proliferation of nuclear weapons, and the fight against terrorism. Only under massive pressure from the Spanish foreign minister, Javier Solana – who threatened to lay the blame for the break-off of the conference at the door of the main protagonists in the Middle East conflict – was agreement reached on an ambitious „three-pillar“ programme.³⁰

The goal of the *first* pillar is the creation of a political and security partnership. The demands associated with this are: respect for human rights, democratic norms, and pluralism; territorial integrity; peaceful dispute-settlement; joint action against terrorism and organized crime; and support for the non-proliferation of nuclear, chemical, and biological weapons at international and regional level.

The *second* pillar deals with economic relations. The core element is the step-by-step creation of a free-trade area by the year 2010. Contractually, this will take the form of new bilateral association-agreements between the EU and each of the Mediterranean countries concerned. Intra-regional trade is also to be promoted.

The theme of the *third* pillar is co-operation in the social and cultural sphere. There are to be steps to promote dialogue and respect for cultures and religions, to combat racism and hostility to foreigners, and to improve cultural exchange and educational and training options.

As a supplement to the declaration, the foreign ministers agreed a work programme for its implementation. The programme includes provisions for instituting a dialogue at various levels and for setting up a „Euro-Mediterranean Committee for the Barcelona Process“. The committee will comprise high-ranking officials from those EU countries that make up the troika at the time concerned, plus a representative of each of the Mediterranean partners. It will meet regularly to prepare the foreign ministers' meetings, take stock, work out how the process is to be continued, and update the work programme.

The truly innovative part is the third pillar. The normative objective is the promotion of the rule of law and of democracy, with the involvement of the „civil societies“ of North Africa.³¹ For this purpose, the so-called MED programmes, already partially instituted as a

30 For a detailed account of this, see: Daniel Colard, La Conférence de Barcelone et le partenariat euro-méditerranéen, in: Défense nationale, Vol. 52, No. 2, 1996, pp. 109–118; Esther Barbé, The Barcelona Conference: Launching Pad of a Process, in: Mediterranean Politics, Vol. 1, No. 1, 1996, pp. 25–42; Aghrout/Alexander, (n. 2); and Hanspeter Mattes, Die Europa-Mittelmeer-Konferenz in Barcelona (27.–28. November 1995), in: Deutsches Orient Institut/Thomas Koszinowski/Hanspeter Mattes (eds.), Nahost-Jahrbuch 1995, Opladen (Leske + Budrich), 1996, pp. 209–14.

31 „Civil society“ encompasses not only the activities of non-governmental organizations and associations but also the role of the state, which disposes of the monopoly on the use of force as a final argument. See Julian Nida-Rümelin, Zur Philosophie einer globalen Zivilgesellschaft, in: Christine Chwaszcza/Wolfgang Kersting (eds.), Politische Philosophie der international Beziehungen, Frankfurt/M. (Suhrkamp), 1998, pp. 223–43, this ref. 224–5.

means of promoting Euro-Mediterranean NGO networks, have been integrated into Euro-Mediterranean co-operation.³²

MED Urbs is aimed at improving the conditions of life of the urban populations and their options for participating democratically at the local level. *MED Campus* promotes co-operation between universities and between other institutes of higher education. *MED Media* supports transnational co-operation between the media, particularly in the area of journalistic training. *MED Avicenna* is intended to improve technical co-operation in health care and environmental protection.

These MED programme are based on two principles: firstly, the EU Commission is able to seek out partners directly, without going through state bodies; secondly, the partners must come from at least three different countries, amongst which both regions (the Mediterranean countries and the EU states) must be represented.

This same framework includes two further programme with special conditions. As part of the groundwork for a „civil society“, *MED Invest* gives specifically targeted assistance to small and medium-sized businesses by providing know-how and European business-contacts and by setting up joint ventures. Under pressure from the European Parliament, the strictly bilaterally organized *MEDA Democracy* was also set up. It is aimed exclusively at non-governmental organizations, but the organizations concerned must not be under any ban within the country in question, nor in receipt of funds from outside – a restriction pushed through by the southern and eastern Mediterranean countries.

A total of 4.685 billion ECUs has been made available from Community budget funds for the period 1995–9. This is supplemented by EIB credits totalling 3.395 billion ECUs and by contributions from EU member-states. Ninety per cent of the EU budgetary aid goes into the economic and financial co-operation; only 10 per cent is earmarked for the MED programmes involving social actors.

4. Implementation of the Barcelona Process up to Autumn 1998

The follow-up conference that took place as part of the Barcelona process in April 1997 in La Valletta was meant to review action so far and agree further steps.³³ But even in the

32 On this, see Dorothee Schmidt, Les Programmes Med: Une expérience européenne de coopération décentralisée en Méditerranée, in: *Monde arabe: Maghreb/Machrek*, No. 153, July–Sept. 1996, pp. 61–8. Also Annette Jünemann, Die Mittelmeerpolitik der Europäischen Union: Demokratisierungsprogramme zwischen normativer Zielsetzung und realpolitischen Pragmatismus, in: *Deutsch-Französisches Institut (ed.), Frankreich-Jahrbuch 1997, Opladen (Leske + Budrich), 1997, pp. 93–115.*

run-up to the meeting, there had been major disagreements about how far the halting Middle East peace process should figure in the deliberations. On his arrival, the ruling chairman of the Council and Dutch foreign minister van Mierlo announced that this was the Malta conference, and that although the Middle East would be discussed, it would only be so to a limited extent. Eventually, however, he had to accept that he was wrong.³⁴ The Syrian foreign minister predicted that the end of the Middle East peace process would probably also mean the collapse of the Barcelona initiative. But the attempt to uncouple the EU–Mediterranean collaboration from the Middle East conflict was successful. After tough negotiations, the participants managed to agree a joint concluding document.³⁵ It did not contain anything new; its value lies in the assertion by all twenty-seven participant countries that they wished to continue with the Barcelona process.

By the time of an *ad hoc* meeting of foreign ministers in Palermo on 3 and 4 June 1998, the „black mood of Malta“ – as the German foreign minister called it – had passed.³⁶ The Middle East conflict still commanded the greatest attention, but it no longer paralysed the conference.³⁷ Clearly, all the participants were interested in investing the Barcelona process with a dynamic of its own and not allowing it to become a hostage to the Middle East peace process.

In the area of *political* relations, from 1995 a dialogue began to be instituted via regular (approximately two-monthly) meetings between high-ranking officials.³⁸ The basis of these discussions is an action plan covering the following areas: strengthening of democracy, preventive diplomacy, confidence- and security-building measures, disarmament, terrorism, organized crime.

A network of foreign-policy research-institutes (EuroMesCo) has also taken shape,³⁹ as has a co-operation mechanism in the field of disaster relief. At the end of 1997, a seminar was held on the use of military forces for humanitarian purposes. Twice a year, there is an information and training seminar of several days' duration aimed at diplomats from the

33 See the list in: Communication from the Commission to the Council and the European Parliament – Progress Report on the Euro-Mediterranean Partnership and Preparations for the Second Conference of Foreign Affairs Ministers, 19. Febr. 1997; KOM (97)68.

34 On what follows here, see Frankfurter Rundschau, 16 and 17 Apr. 1997.

35 Schlußfolgerungen der zweiten Europa-Mittelmeer-Ministerkonferenz am 15. und 16. April 1997 in Malta, in: Internationale Politik, Vol. 53, No. 1, 1998, pp. 72–7.

36 Frankfurter Rundschau, 5 June 1998.

37 Ad-hoc Euro-Mediterranean Ministerial Meeting, Palermo, 3–4 June 1998, concluding Statement by Robin Cook, UK Presidency (<http://www.euromed.net>).

38 On the Barcelona follow-up process as a whole, see Jünemann (n. 32) and Geoffrey Edwards/Eric Philippart, The Euro-Mediterranean Partnership: Fragmentation and Reconstruction, in: European Foreign Affairs Review, Vol. 2, No. 4, 1997, pp. 465–89. Up-to-date information may also be found at the Euromed Internet Forum (<http://www.euromed.net>), which is managed by the Mediterranean Academy of Diplomatic Studies at the University of Malta (<http://www.diplomacy.edu/euromed>), in close collaboration with the EU Commission.

39 The NGO network EuroMesCo has been existence since July 1996 and includes institutes from 27 nations. It concentrates on analysis of political and security issues in the Euro-Mediterranean region.

twenty-seven partner countries. Talks on the signature of a „Euro-Mediterranean Charter for Peace and Stability“ – a French initiative – are still under way. The charter is regarded as a cornerstone of this „pillar“.⁴⁰

The co-operation structures have as yet gone no further than an (arduous) exchange over confidence-building; concrete agreements are still a distant prospect.⁴¹ The regular contacts and conferences between foreign-policy institutes may, however, be a first step towards creating „epistemic communities“ that could engage in preliminary discussion of military issues of confidence-building and arms control and feed their ideas into the political sphere.⁴²

The conference process that has overseen Pillar 1 activities to date is documented in Tables 1 and 4.

Table 1: Political and Security Partnership

Activity	Venue	Date
Senior officials' meeting on political and security questions	Brussels	30–31.10.96
Senior officials' meeting on political and security questions	Brussels	23–24.11.96
Joint meeting of senior officials and EuroMesCo representatives	The Hague	11.3.97
Senior officials' meeting on political and security questions	The Hague	12.3.97
Senior officials' meeting on political and security questions	Malta	11.4.97

40 See Jean François Daguzan, *La Méditerranée en quête d'une organisation politico-stratégique*, in: *Défense nationale*, Vol. 53, No. 10, 1997, pp. 14–29.

41 See Fred Tanner, *The Euro-Med Partnership: Prospects for Arms Limitations and Confidence Building after Malta*, in: *International Spectator*, Vol. 32, No. 2, 1997, pp. 3–25.

42 The role of „epistemic communities“ in the formation of regimes, and as a source of ideas for negotiating processes, has been a subject of intensive debate for some time now in international relations. See: Peter M. Haas (ed.), *Knowledge, Power, and International Policy Coordination* (spec. issue of *International Organization*, Vol. 46, No. 1, winter 1992; Thomas Risse-Kappen, *Ideas Do not Float Freely: Transnational Coalitions, Domestic Structures, and the End of the Cold War*, in: Richard Ned Lebow/Thomas Risse-Kappen (eds.), *International Relations Theory and the End of the Cold War*, New York (Columbia Univ. Press), 1995, pp. 187–222; Schlotter, (n. 8), pp. 57–61, 235–51.

Activity	Venue	Date
Meeting of institutes of defence studies	Paris	26.5.97
Senior officials' meeting on political and security questions	Brussels	3.6.97
Workshop for diplomats on cultural aspects of confidence-building	Cairo	14–18.6.97
Preparatory meeting for the project on prevention of natural and man-made disasters	Rome	12.9.97
Seminar of persons with political-military responsibilities on the use of military forces for humanitarian tasks	Rome	1.10.97
Senior officials' meeting on political and security questions	Brussels	22.10.97
Information session for diplomats	Malta	7.11.97
Senior officials' meeting on political and security questions	Brussels	25.2.98
Information session for diplomats	Malta	1.5.98
Senior officials' meeting on political and security questions	Brussels	18.5.98
Ad hoc meeting of ministers of foreign affairs	Palermo	27.5.98
Meeting of government experts on the Euro-Mediterranean economic area	Brussels	27.5.98
Meeting of the steering committee for the project on prevention of natural and human catastrophes	Rome	2.6.98
Meeting of the steering committee for the project on prevention of natural and human catastrophes	Rome	12.9.98
Senior officials' meeting on political and security questions	Brussels	14.9.98
Information session for diplomats	Malta	12.11.98
Senior officials' meeting on terrorism	Brussels	23.11.98
Senior officials' meeting on political and security questions	Brussels	24.11.98
Senior officials' meeting on the Charter for Peace and Stability	Brussels	24.11.98

Source: Compilation from <http://www.euromed.net>

The *economic and financial* co-operation has involved, amongst other things, exchanging know-how and identifying the joint policies needed to create the Euro-Mediterranean free-trade area. The goal is a set of agreements on shared principles in individual policy-sectors. Rapprochement has already been achieved in the fields of industry, energy, water management, the information society (telecommunications), tourism, fishing, and maritime trans-

port. The MEDSTAT programme, with a budget of 20 million ECUs, aims to harmonize statistics in the partner countries over a period of four years.

In addition, meetings are taking place between economic institutes, industrial organizations, trade unions, chambers of commerce and industry, and organizations promoting international trade or working in the banking sector (this includes private as well as central banks).

Funds from the EU budget and also EIB credits have been used to facilitate the administrative and economic adjustment needed for the planned free-trade area. With the monies received, Morocco instituted a taxation and banking reform and made investments in the training and health sectors and in water supply. Algeria used the financial aid to liberalize agriculture and to introduce privatization into the housing market. (For the meetings overseeing Pillar 2 activities, see Table 2.)

Table 2: Economic and Financial Partnership

Activity	Venue	Date
Workshop on research	Sofia Antipolis	1–2.4.96
Workshop on education and training	Brussels	2–3.5.96
2nd meeting of the monitoring committee on science and technology	Capri	2–3.5.96
Workshop on regulatory framework	Palermo	6–7.5.96
Ministerial conference on tourism	Naples	10–11.5.96
Industrial federations' conference	Malta	13–14.5.96
Meeting of industry ministers	Brussels	20–21.5.96
Meeting in margins of Solar Summit	Malta	22.5.96
Ministerial conference on information society	Rome	30–13.5.96
Workshop on SMEs	Milan	4–5.6.96
Expert meeting on the protection of wetlands in the Mediterranean	Venice	5–6.6.96
Seminar of directors-general of statistics and regional programme for co-operation in statistics	Naples	18–20.6.96
Working group on service centres and industrial zones	Rome	24–25.6.96
Conference on MARIS	Malta	7.6.96
Conference of energy ministers	Trieste	7–9.96
Preparatory expert meeting on the management of fish-stocks in the Mediterranean	Brussels	4–5.7.96
Meeting of experts on the implementation of the multi-annual programme on maritime transport in the Mediterranean	Cyprus	14–15.10.96
Meeting on the European energy charter	Brussels	21–22.11.96
Activity	Venue	Date

Conference on local water-management	Marseilles	25–26.11.96
2nd diplomatic conference on the management of fish-stocks in the Mediterranean	Venice	27–29.11.96
3rd meeting of the monitoring committee on science and technology	Cyprus	12–13.12.96
Conference on private investments	London	6–7.3.97
Expert meeting on economic transition	Brussels	20.3.97
Follow-up meeting of industry ministers' working group	Brussels	24.3.97
First meeting of the Euro-Mediterranean energy forum	Brussels	13.5.97
Workshop on space applications in the Euro-Mediterranean region	Cairo	26.5.97
4th meeting of the monitoring committee	Enkhuizen	10.6.97
Seminar on co-operation in statistics (MEDSTAT)	Malta	24.6.97
Euro-Mediterranean seminar on co-operation in statistics	Tunis	26.6.97
Meeting of the correspondents in charge of the short- and medium-term priority environmental action programme	Brussels	17.6.97
Follow-up to the meeting of industry ministers: working group	Athens	1.9.97
Meeting of the directors-general of industry in preparation for the 2nd conference of industry ministers	Palermo	1.9.97
Preparatory meeting for the ministerial conference on environment	Madrid	23.9.97
Meeting of the directors-general of industry in preparation for the 2nd conference of industry ministers	Palermo	1.10.97
Forum on the information society	Athens	1.10.97
3rd Euro-Mediterranean conference of industrial associations	Athens	6.10.97
Follow-up meeting of industry ministers: working group	Palermo	13.10.97
Meeting of the directors-general of industry in preparation for the 2nd conference of industry ministers	Palermo	13.10.97
Meeting of NGOs on environment	Montpellier	16.10.97
2nd Euro-Mediterranean ministerial conference on industrial co-operation	Marrakesh	30.10.97
Preparatory meeting for the ministerial conference on environment	Helsinki	26.11.97
Meeting of NGOs on environment	Helsinki	27.11.97
Activity	Venue	Date

Ministerial conference on environment	Helsinki	28.11.97
Meeting of directors-general of water, on the Euro-Mediterranean information system on know-how in the field of water (SEMIDE)	Naples	9–10.12.97
Euro-Med Net 98	Cyprus	4.3.98
Euro-Mediterranean Conference on capital markets	London	26.3.98
Meeting of the Euro-Mediterranean energy forum at the level of directors-general	Malta	15.4.98
Meeting of government experts on the Euro-Mediterranean economic area	Brussels	27.4.98
Euro-Mediterranean conference of energy ministers	Brussels	11.5.98
Euro-Mediterranean RTD co-operation: 5th monitoring committee meeting	Malta	24.5.98
Policies and business strategies conference for Euro-Mediterranean information society	Istanbul	15.6.98
Workshop for the gradual establishment of a network of technology innovation poles in the Euro-Mediterranean region	Brindisi	22.6.98
Euro-Mediterranean forum on co-operation in agriculture and agro-industry	Naples	8.7.98
Follow-up meeting of industry ministers: working group – legal and administrative economic and financial partnership framework	Brussels	10.7.98
Euro-Mediterranean forum on co-operation in agriculture and agro-industry	Capri	21.9.98
2nd Euro-Mediterranean ministerial conference of industrial co-operation	Klagenfurt	3.10.98
Euro-Mediterranean forum on consumer policy	Bari	8.10.98
Seminar on the harmonization of standards	Berlin	26.10.98
2nd directors' committee meeting of MEDSTAT	Malta	28.10.98
Euro-Mediterranean conference on the promotion of women's participation in economic and social life	Lisbon	16.11.98
Meeting of correspondents on the short- and medium-term priority action programme for the environment	Brussels	17.11.98

Source: Compilation from <http://www.euromed.net>

In the area of *social and cultural* co-operation, there have been several meetings on the preservation of cultural heritage, leading on to joint projects.⁴³ In addition, there have been

43 See also Elena Maria Peresso, Euro-Mediterranean Cultural Cooperation, in: European Foreign Affairs Review, Vol. 3, No. 1, 1998, pp. 135–56.

conferences on Islam and on relations between the Islamic world and Europe, on the problem of drug trafficking and organized crime, on government in the Euro-Mediterranean region, on social aspects (e.g. health and education), and on human rights. These were attended in each case by government representatives and academics from the individual countries (most of the academics were there as speakers). Some of the results of these kinds of meetings are fed into the plans for new projects within the framework of the MED programme (see Table 3).

The Barcelona declaration stipulated that co-operation with non-governmental organizations, and also dialogue between the different religions, must remain „within the framework of national laws“. This precludes any institutionalized contact with, for example, Islamist groups. In practice, this means that so far only organizations that are backed, or at least tolerated, by the state have ultimately been brought into the MED programmes, and have been brought in politically anodyne areas.

Table 3: Social, Cultural, and Human Affairs

Activity	Venue	Date
Workshop on the conservation of cultural heritage	Arles	9–10.2.96
Workshop on the access to cultural heritage	Berlin	23–24.2.96
Workshop on heritage as a factor in sustainable development	Amman	22–23.3.96
Ministerial conference on cultural heritage	Bologna	22–23.4.96
Tripartite conference on the Euro-Mediterranean social area	Catania	24–25.5.96
Conference on relations between the Islamic world and Europe	Amman	10–13.6.96
Conference on contemporary Islam	Copenhagen	17–18.6.96
Officials' meeting on drug-trafficking and organized crime	Taormina	11–12.6.96
Conference on governance in the Euro-Mediterranean region	The Hague	17.3.97
Preparatory meeting on the high-level meeting on TV and audio-visual co-operation	Rome	6.10.97
Conference on the Euro-Mediterranean audio-visual and cinematographic heritage	Sitges	9.10.97
Expert meeting on health and social welfare	The Hague	9.12.97
Euro-Mediterranean conference on mutual perceptions in the field of education	Luxembourg	3.11.97
Activity	Venue	Date
High-level meeting on TV and audio-visual co-operation	Thessaloniki	15.11.97
Workshop on dialogue between cultures and civilizations	Stockholm	23.4.98

Euro-Mediterranean conference on strengthening democracy and respect for human rights	London	10.5.98
Training seminar in the field of police co-operation	Rome	1.6.98
Informal follow-up meeting on health and social protection	Amsterdam	22.9.98
2nd Euro-Mediterranean conference of culture ministers	Rhodes	25–26.9.98
Training seminar in the field of police co-operation: „The Fight against Organized Crime“	Rome	12.10.98

Source: Compilation from <http://www.euromed.net>

Up to now, the EU has not applied the system of conditions detailed in the second pillar and the association agreements. Thus, the negotiations with Algeria were begun before the presidential elections had taken place; and the country was supplied with generous credits despite the fact that the internal political situation fell far short of the stipulated human-rights standards (not just because of Islamist terrorist groups). Another reason for the bluntness of the conditions instrument is that – under pressure from the British government – decisions here can at present only be reached on a consensus basis. This makes it easier for recipient countries to water down conditions, because in most cases they can rely on a veto from one of the „protective powers“ of Europe.⁴⁴

Taking interim stock, one can say that, although co-operation in the second pillar is difficult, all in all it proceeds relatively smoothly – because no arguments about forms of government or differing values are involved. The main problems currently lie in the field of human rights, democratization, and contact between the different „civil societies“. Here, the structure of the ruling regimes in the Maghreb is affected; here, they seek to block or control the process of dialogue.

Table 4: Other Activities

Activity	Venue	Date
Information session for diplomats	Malta	28.9–6.10.96

44 See Laura Feliu, The European Union as a Mediterranean Actor, in: Rodolfo Ragoneri (ed.), *Politica ed economica nell'area mediterranea*, Quaderni Forum, Vol. 11, No. 2, 1997, pp. 21–39, this ref. 32–6.

Forum BEI '96: „The Mediterranean: A Space for a Partnership“	Madrid	24–25.10.96
Euro-Mediterranean summit of the industrial federations	Casablanca	5–6.12.96
Workshop on contracting services in the Mediterranean	Istanbul	17–18.10.96
Euro-Med information and training programme for diplomats	Malta	15.3.97
Meeting of economic institutes	Marseilles	24.3.97
Expert seminar on trade fairs as a motor of economic development	Lisbon	26.5.97
Meeting of international trade-promotion organizations	Palermo	29.5.97
Congress on environmental policy and law in the Mediterranean	Cyprus	25.6.97
EuroMeSco annual conference	Tunis	29.9–1.10.96
Euro-Mediterranean seminar of chambers of commerce and industry	Malta	29.10.97
3rd Euro-Mediterranean seminar of economic and social committees and similar institutions	Casablanca	27.11.97
Meeting of working groups of EuroMeSco network	Lisbon	30.3.98
Annual EuroMeSco conference	London	15–18.5.98
Preparatory meeting of the Euro-Mediterranean parliamentary forum	Malta	25.5.98
4th Euro-Mediterranean summit of economic and social councils	Lisbon	24.9.98
Euro-Mediterranean parliamentary forum	Brussels	27.10.98

Source: Compilation from <http://www.euromed.net>

5. The Political and Economic Situation in the Maghreb Countries

In order to be able to assess what prospects the Barcelona process – with its „free trade + democratization = development“ formula – has of succeeding in the Maghreb countries, a short account needs to be given of the economic and social situation in the region.

5.1 Algeria

Of the three Maghreb countries, Algeria is the one most strongly marked by its colonial past. Whereas Morocco and Tunisia became independent in the mid-1950s without armed conflict, Algeria only wrested its independence from France after a bloody war that cost one million of the then total of 9 million inhabitants their lives.

This experience with the French „motherland“ influenced the post-colonial period more than almost any other factor.⁴⁵ The desire of the Front National de Libération (FNL) to develop a national identity manifested itself in the slogan „Algeria is our fatherland, Arabic our language, Islam our religion.“⁴⁶ Whereas at the time of liberation from colonialism, Islam was a major identity-forming element, Algeria's FNL governments soon distanced themselves from it and championed an Algerian-style socialism.⁴⁷

The Algerian economy is founded on oil and gas reserves. Algeria is a typical monostructural „rentier state“, in which an authoritarian ruling bureaucracy lives off the income from the production of mineral or agricultural raw materials, needing to make only minimal inputs of investment and labour.⁴⁸ During the 1980s, however, Algeria's *rentier* economy collapsed, when the dramatic fall in oil-prices caused a drastic reduction in the returns of the ruling government-classes and their clientèle, with consequent social unrest.

When, in the mid-1980s, „Algerian socialism“ – and with it the FNL regime – hit economic and social rock-bottom, the Islamists played a major role in the protests of the time, which culminated in civil-war-like unrest (in October 1988).⁴⁹ They had won credibility and political scope for themselves with their criticism of the corrupt system of rule. Although their social and religious activities („wild mosques“, etc.) were often illegal, the regime had tolerated them in the hope of being able to exploit them to counter the growing influence of the secular, Berber, and trade-union opposition.⁵⁰

The Algerian regime reacted to the country-wide protests of 1988 by liberalizing the economy (cutting back the public sector) and opening up the political system. The new constitu-

45 Werner Ruf, *Die algerische Tragödie: Vom Zerschlagen des Staates einer zerrissenen Gesellschaft*, Münster (agenda Verlag), 1997, esp. p. 12 following pages.

46 On this, see *Algérie: l'arabisation, lieu de conflits multiples*, in: *Monde arabe: Maghreb/Machrek*, No. 150, Oct.–Dec. 1995, pp. 57–71.

47 Shireen T. Hunter, *The Algerian Crisis: Origins, Evolution and Lessons for the Mghreb and Europe* (Centre for European Political Studies), Brussels, 1996, p. 20.

48 On this, see Claudia Schmid, *Das Konzept des Rentier-Staates: Ein sozialwissenschaftliches Paradigma zur Analyse von Entwicklungsgesellschaften und seine Bedeutung für den Vorderen Orient*, Münster (LIT Verlag), 1991; Peter Pawelka, *Staat, Bürgertum und Rente im arabischen Vorderen Orient*, in: *Aus Politik und Zeitgeschichte*, B. 39/97, 19 Sept. 1997, pp. 3–11.

49 For a detailed account of this, see Brahim Younessi, *L'Islamisme algérien: nébuleuse ou mouvement social?*, in: *Politique étrangère*, Vol. 60, No. 2, 1995, pp. 363–76.

50 On this, see Hugh Roberts, *From Radical Mission to Equivocal Ambition: The Expansion and Manipulation of Algerian Islamism, 1979–1992*, in: Martin E. Marty/R. Scott Appleby (eds.), *Accounting for Fundamentalism: The Dynamic Character of Movements*, Chicago (Univ. of Chicago Press), 1994, pp. 428–89.

tion of February 1989 made the one-party system accessible to other, previously illegal, parties. The intention was to establish a system which, on the one hand, went some way to meeting the demands of the liberal forces in economics and politics, and, on the other, aimed to create a basis for necessary economic reforms.⁵¹

The FIS (Front Islamique du Salut), which, since its foundation in 1989, had quickly won broad support amongst the population, established itself as the FNL's strongest rival.⁵² When, during the first free parliamentary elections in December 1991, it began to become clear that the Front was going to win, the military intervened and prevented the second ballot.⁵³

The suppression of Islamism after the election victory of 1991, and the disappearance of the FIS underground, increased the divide between moderate and militant groups. Whereas one side continued to pursue the non-violent path to political participation,⁵⁴ the other side began a radical campaign against the regime, splitting first into the „Groupes islamiques armés“ (GIA) and the „Armée islamique du salut“ (AIS), and later into further militant groups.⁵⁵

The Algerian military's actions against the terrorists probably claim many victims amongst civilians and people who are not involved. The war has become increasingly individualized;⁵⁶ some sections of the state and secret-service apparatus participate in the acts of terror as „death-squads“.⁵⁷

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- 51 Sigrid Faath, Probleme der Demokratisierung in den Maghrebstaaten, in: *Aus Politik und Zeitgeschichte*, B 44–45/95, 27 Oct. 1995, pp. 14–23, this ref. 18.
 - 52 Meriem Vergès, Genesis of a Mobilization: The Young Activists of Algeria's Islamic Salvation Front, in: Joel Beinin/Joe Stork (eds.), *Political Islam: Essays from Middle East Report*, Berkeley (Univ. of California Press), 1997, pp. 292–305.
 - 53 See Ulrike Borchardt, Algeriens „Gleis der Demokratie“, in: *Blätter für deutsche und internationale Politik*, Vol. 42, No. 9, Sept. 1997, pp. 1094–1103.
 - 54 Large numbers of Islamists moved to the government camp. See Lahouari Addi, Algeria's Tragic Contradictions, in: *Journal of Democracy*, Vol. 7, No. 3, 1996, pp. 94–107.
 - 55 See the description of individual Islamist groups in Algeria in John P. Entelis, Political Islam in the Maghreb: the Nonviolent Dimension, in: id. (ed.), *Islam, Democracy, and the State in North Africa*, Bloomington/Indianapolis (Indiana Univ. Press), 1997, pp. 44–74, this ref. 57–71.
 - 56 More and more people in Algeria are „coming to depend for their existence on commerce with certain death“. Boys and young men are recruited by soldiers or rebels and paid for their services. 200,000 government-sponsored village-watchmen and countless self-defence committees have set themselves the task of stemming violence with violence (*Frankfurter Rundschau*, 23 Jan. 1997).
 - 57 For a detailed account of this, see Werner Ruf, Gewalt und Gegengewalt in Algerien, in: Bielefeldt/Heitmeyer (n. 22), pp. 320–36; id., Algerien zwischen westlicher Demokratie und Fundamentalismus?, in: *Aus Politik und Zeitgeschichte*, B 21/98, 15 May 1998, pp. 27–38; id., Algerien: Islamismus gegen Demokratie?, in: Reinhard Mutz/Bruno Schoch/Friedhelm Solms (eds.), *Friedensgutachten 1998*, Münster (LIT-Verlag), 1998, pp. 75–87; and Lahouari Addi, Algeria's Army, Algeria's Agony, in: *Foreign Affairs*, Vol. 77, No. 4, July–Aug. 1998, pp. 44–53.

Domestically, the government has bunkered itself into the cycle of violence,⁵⁸ brusquely rejecting any outside offer to mediate in the civil war as „colonial interference“.⁵⁹ There is an endless spiral of violence, which, according to conservative estimates, has cost 65, 000 lives since 1991.⁶⁰

The liberalization instituted by the FNL regime at the end of the 1980s led to a mushrooming of citizens' initiatives, professional associations, human-rights groups, women's groups, and other social groupings.⁶¹ Despite the ruthless terrorism of extremist groups, and the violence of the state, it seems – as far as one can judge, given press censorship – that moves to set up non-governmental groups are still going on, not just amongst the Islamists.⁶²

Over 60 per cent of Algerian exports of natural gas go to Europe; over 65 per cent of its exports come from the European Union. Thanks to its exports of natural gas, Algeria's balance of trade with the EU is in the black.⁶³ As well as the natural-gas pipeline extending (via Tunisia and the Mediterranean) to Italy, since winter 1996 there has also been a pipeline taking natural gas from Algeria to Spain and Portugal via Morocco.⁶⁴ Ninety-eight per cent of the national budget derives from the export of hydrocarbons; at the same time, 80 per cent of basic foodstuffs have to be imported.⁶⁵ According to estimates by economic

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- 58 How far the ceasefire between the military arm of the FIS (the AIS) and the army/government will hold, and how far it will lead to initiation of an internal political dialogue, is currently unclear. For a positive assessment, see Luis Martinez, *Algérie: les enjeux des négociations entre l'AIS et l'armée*, in: *Politique étrangère*, Vol. 62, No. 4, winter 1997–8, pp. 499–510.
 - 59 Benjamin Stora, *Ce que dévoile une guerre: Algérie 1997*, in: *Politique étrangère*, Vol. 62, No. 4, winter 1997–8, pp. 487–97.
 - 60 *Frankfurter Rundschau*, 23 May 1998, p. 2.
 - 61 John P. Entelis, *Civil Society and the Authoritarian Temptation in Algerian Politics: Islamic Democracy vs. the Centralized State*, in: Augustus Richard Norton (ed.), *Civil Society in the Middle East*, Vol. 2, Leiden (E. J. Brill), 1996, pp. 45–86.
 - 62 Dirk Vandewalle, *Islam in Algeria: Religion, Culture, and Opposition in a Rentier State*, in: John L. Esposito (ed.), *Political Islam: Revolution, Radicalism, or Reform?*, Boulder (Lynne Rienner), 1997, pp. 33–51. See also the cautiously optimistic assessment in William B. Quandt, *Between Ballots and Bullets: Algeria's Transition from Authoritarianism*, Washington D.C. (Brookings), 1998. Despite all the violence, Quandt regards Algeria as being on the path to political pluralism, embracing moderate Islamists as it goes.
 - 63 See the detailed information about the Algerian economy in *Euro-Mediterranean Partnership: Guide for Investors in Algeria*. Prepared for the European Commission by GMA Capital Markets Ltd., Brussels, 1997 (<http://www.euromed.net>).
 - 64 On this, see Francis Ghilés, *España y el gas argelino*, in: *Política Exterior*, Vol. 9, No. 44, 1995, pp. 169–76.
 - 65 Werner Ruf, *Drohen die Spannungen, die Algerien erschüttern, auch den übrigen Maghrebstaaten*, in: Berthold Meyer (ed.), *Unruhezone Mittelmeer: Westeuropa und seine südlichen Nachbarn*, Frankfurt/M. (HSFK), 1996, p. 126.

experts, by 1998, production of oil and natural gas will already have fallen below the level needed to offset a rise in Algeria's – already high – foreign debts.⁶⁶

Because of the precarious internal political situation, amidst which the military and the government portray themselves as „saviours of democracy“ but are primarily concerned to preserve the power of the old governing classes, there is a desire, on the Algerian side, for international recognition, and also a strong economic interest in co-operation with the EU. On top of this, the regime seeks to make utilize the Union in its quest to maintain power. Algerian policy *vis-à-vis* the Union has its sights set, first and foremost, on the economic benefits that it hopes to gain from a Euro-Mediterranean partnership, and also on improvements in military and secret-service co-operation, which would enable it to act more effectively against militant Islamic groups and other opposition forces. Algeria's government has no obvious interest in making any reciprocal move to improve respect for human rights and political freedoms. Of all the Maghreb countries, it is Algeria that will present the greatest economic and political obstacles to the implementation of the Barcelona process.⁶⁷

5.2 Tunisia

Of the three Maghreb countries, Tunisia is the one that most nearly corresponds to Western notions of a modernizing state. Since General Zine al-Abidine Ben Ali deposed the country's aged founder, Habib Bourgiba, in a bloodless take-over in 1987, on grounds of the latter's „infirmity“, the government has sought to modernize what had, up to then, been an extremely unhealthy national economy. The main plank on which the president is relying is economic development, to be stimulated by privatization (with a view to a complete withdrawal of the state from the economy), the creation of a free-trade area, and the enlistment of foreign investors.⁶⁸

With the help of the IMF/World Bank structural adjustment programme which has been in operation since 1986, Tunisia has managed to reduce its debts.⁶⁹ Since 1995, a free-trade agreement with the EU has been in force. In 1996, despite high unemployment,⁷⁰ Tunisia had a per capita income of \$US4,960, which means that, to this extent, it ranks amongst the

66 See also Caroline Ardouin, *Économie algérienne: quelles perspectives*, Monde arabe: Maghreb/Machrek, No. 149, July–Sept. 1995, pp. 13–22; and Ghazi Hidouci, *L'Algérie peut-elle sortir de la crise?*, *ibid.*, pp. 24–34.

67 On this assessment, see also Volker Perthes/Heidi Kübel, *Sozioökonomische und politische Herausforderungen im südlichen Mittelmeerraum: Eine Bestandsaufnahme* (Stiftung Wissenschaft und Politik: SWP-AP 3048), Ebenhausen, Nov. 1997.

68 *Frankfurter Allgemeine Zeitung* (FAZ), 18 Apr. 1997.

69 For a detailed account of the economic situation, see *Euro-Mediterranean Partnership: Guide for Investors in Tunisia*. Prepared for the European Commission by Maxwell Stamp plc, Brussels, Feb. 1997.

70 The official figure is 16%; Daniela Neuenfeld-Zvolsky (op. cit., p. 34, n. 26 above) thinks 25%–30% is more likely.

medium-income countries.⁷¹ Its social structure is more balanced than that of its neighbours. This has to do not least with the country's very prominent tourist sector, which is constantly being expanded and which not only guarantees a large number of (service-based) jobs in the hotel and catering industry, but is also crucial to the craft and small-scale trade sectors.⁷²

Tunisian foreign policy has thus been placed entirely at the service of the economy over the last few years. The government see co-operation with the EU as offering an opportunity to combat poverty and push ahead with modernization.

The project of a secular state has been part of these efforts at modernization right from the time of independence. As early as the end of the 1960s, this prompted the emergence of an Islamist movement, but one whose chief concern was moral renewal. In the social protests of the 1980s, however, the Islamists occupied an increasingly prominent position. After 1987, Ben Ali sought to counter this by proclaiming „change in continuity“ and by portraying the state as the sole defender of Islam through symbolic measures such as the broadcasting of the call to prayer on radio and television. The Islamists were called upon to reciprocate by showing political restraint.⁷³

The system of rule in Tunisia is not a dictatorship, but a typically semi-authoritarian regime.⁷⁴ Although the country officially has a multi-party system, the presidential party regularly obtains more than 95 per cent of the vote in general elections.⁷⁵ The government co-opts moderate opposition-parties into (joint) political decision-making. Both the Western and the Islamic opposition are subject to massive secret-service surveillance and police repression. Thousands of their members are reputed to be in detention.⁷⁶

Amongst the anti-Islamist measures was the educational reform of 1989. This not only provides the country's young people with as good an education as possible up to the age of 16, via free, compulsory schooling; it also keeps them for longer under state control – thus warding off Islamist attempts to influence them.⁷⁷

71 According to World Bank figures, this puts it ahead of Turkey (\$US4,160); see FAZ, 8 Nov. 1997.

72 Total income from tourism in 1996 was \$US1.35 billion; see Nahost-Jahrbuch 1996, Opladen (Leske + Budrich), 1997, pp. 169–71.

73 On the special features of development in Tunisia, see Mark Gasiorowski, *The Failure of Reform in Tunisia*, in: *Journal of Democracy*, Vol. 3, No. 4, Oct. 1992, pp. 85–97, and Nicole Grimaud, *La Spécificité tunésienne en question*, in: *Politique Étrangère*, Vol. 60, No. 2, autumn 1995, pp. 389–402.

74 For a description of regimes of this type, see Thomas Carothers, *Democracy without Illusions*, in: *Foreign Affairs*, Vol. 76, No. 1, Jan.–Feb 1997, pp. 83–99.

75 FAZ, 8 Nov. 1997.

76 See Hamed Ibrahim, *Les Libertés envolées de la Tunisie*, in: *Le Monde Diplomatique*, Vol. 44, No. 515, Feb. 1997, p. 4 following pages, and Susan Waltz, *The Politics of Human Rights in the Maghreb*, Entelis (n. 55), pp. 75–92.

77 For a detailed account of this, see Michel Cannu, *D'une République à l'autre: Refondation politique et aléas de la transition libérale*, in: *Monde arabe: Maghreb/Machrek*, No. 147, July–Sept., 1997, pp. 3–16.

In Tunisia, even after the liberalization and democratization process was halted, a whole variety of associations – some more, some less independent of the state – continued to exist.⁷⁸ The country has a relatively well-educated middle class and a growing class of private entrepreneurs and self-employed workers.

The hallmarks of the Tunisian situation are: a social and educational policy which, overall, is relatively successful (notably in regard to the advancement of women); an economy that is very much at the mercy of fluctuations in the tourist industry; and an authoritarian political regime that is averse even to a controlled opening-up and pluralization.

5.3 Morocco

Morocco is a monarchy incorporating elements of absolutism and constitutionalism, both principles being embodied in King Hassan II. As a descendant of the Prophet, the „Commander of the Faithful“ (Art. 19 of the 1992 constitution, drawn up with the king himself in mind) has made religion his very own personal concern; as the modernizer of his country, he is dependent on co-operation with the West and, not least for this reason, promotes the parliamentarization of politics and the denationalization of the Moroccan economy.⁷⁹

Because of Hassan II's high-profile religious position, Islamism does not – unlike in Tunisia and Algeria – pose any real threat to the political system. Although the economic crisis of the 1980s produced unrest and social tensions in Morocco as well, here it was primarily trade unions and universities who were the agents of protest – though Islamists did also take part. As the political and spiritual head of his country, Hassan II has so far managed, by working on a principle of „divide and rule“, to retain the loyalty of the Islamic clergy and at the same time keep them under control.⁸⁰

In contrast to the situation in, say, Algeria, where the FIS was in a position to link religious centres in the larger towns into a broad network, Hassan II, by exercising rigorous control over mosques and preachers, has managed to counter Islamist attempts to break the monarch's religious monopoly by creating autonomous religious areas.⁸¹

78 See Eva Bellin, *Civil Society in Formation: Tunisia*, in: Augustus Richard Norton (ed.), *Civil Society in the Middle East*, Vol. 1, Leiden (E. J. Brill), 1995, pp. 120–47. See also the report by the former president of the Tunisian Society for Human Rights Moncef El Marzouqui, *Human Rights Organizations: The Difficult Task? – The Tunisian Experience*, in: Bahey El Din Hassan (ed.), *Challenges Facing the Arab Human Rights Movements*, Cairo (Cairo Institute for Human Rights Studies), n.d., 1997, pp. 115–31. The report highlights how this organization was crushed between the two forces of state repression and political fragmentation.

79 See Cameron Khosrowshahi, *Privatization in Morocco: The Politics of Development*, in: *Middle East Journal*, Vol. 51, No. 2, spring 1997, pp. 242–55.

80 On what follows here, see Sigrid Faath, *Rechte und Freiheiten der Staatsbürger im „Hassanismus“*, in: ead./Hanspeter Mattes (eds.), *Demokratie und Menschenrechte in Nordafrika*, Hamburg (edition wuqûf), 1992, pp. 367–433.

81 Abderrahim Lamchichi, *L'Islamisme s'enracine au Maroc*, in: *Le Monde Diplomatique*, No. 506, May 1996, pp. 10–11. See also Entelis (n. 55), 50–6.

In 1983, Morocco began to introduce structural adjustment programmes, and these prompted mass rallies, trade-union-organized strikes, and protests by Islamist groups. Hassan responded with a cautious opening-up of the regime; political parties and interest groups were brought in more frequently in a consultative capacity and were made part of an institutionalized system of conflict management.⁸² The controlled democratization of the country (referendum on the creation of a directly elected chamber in September 1996,⁸³ renewal of local and regional councils and professional bodies, free and „transparent“ elections to the first chamber on 14 November 1997⁸⁴) is also part of the attempt to avoid the kind of political crisis being experienced in neighbouring Algeria.⁸⁵ The prime minister has recently begun to be drawn from the ranks of the opposition.

Morocco's sovereign has always been, and still is, concerned to maintain good relations with the Western industrial states. As part of the planned Euro-Mediterranean partnership, Morocco has asked the EU for, amongst other things, assistance with the fight against the drugs trade and illegal emigration. Since 1993, one billion US dollars have been channelled from Europe to northern Morocco for this purpose.

The interests of the Moroccan government – like those of the other Maghreb countries – are therefore focused mainly on EU help with economic development.⁸⁶ Given the authoritarian-cum-liberal, semi-democratic nature of the monarchical regime, this help benefits not only a ruling clique, but also an evolving middle class not dependent on state subsidies. The Moroccan government is therefore open to the idea of a cautious extension of political participation, but wishes to keep this under strict control. This is also true of the officially independent human-rights associations, professional associations, and other non-governmental organizations, the extent of whose autonomy is difficult to assess.⁸⁷ Of the three Maghreb countries, Morocco has the system of rule most open to further cautious internal political liberalization.

82 On this, see the overview in Omar Bendourou, *Power and Opposition in Morocco*, in: *Journal of Democracy*, Vol. 7, No. 3 July 1996, pp. 108–22.

83 See Gregory White, *The Advent of Electoral Democracy in Morocco? The Referendum of 1996*, in: *Middle East Journal*, Vol. 51, No. 3, summer 1997, pp. 389–404.

84 See FAZ, 14 Nov. 1997, 15 Nov. 1997, 20 Nov. 1997. The transparency of these first free elections was symbolized in the use of ballot boxes made of Perspex. 3,319 candidates from 16 parties competed for the 325 seats. However, the power of the Moroccan parliament is not such that it can itself appoint the government. This continues to be the prerogative of the king.

85 On this, see Abderrahim Hafdi, *Islamisme algérien et champ politico-religieux au Maroc*, in: *Politique étrangère*, Vol. 60, No. 2, autumn 1995, pp. 377–87.

86 On this, see *Euro-Mediterranean Partnership: Guide for Investors in Algeria*. Prepared for the European Commission by GMA Capital Markets Ltd., Brussels, 1997.

87 See Guilain Denoeux/Laurent Gateau, *L'Essor des associations au Maroc: à la recherche de la citoyenneté*, in: *Monde arabe: Maghreb/Machrek*, No. 150, Oct.–Dec. 1995, pp. 19–56.

6. Problems Facing the Euro-Mediterranean Free-Trade Area in the Maghreb Countries

The introduction of a free-trade area will be an acid test for economy and society in the Maghreb countries. If the present rate of growth in population continues (there has already been some success in reducing it through the use of contraceptives), the population in all three countries will have practically doubled by the year 2005.⁸⁸ According to World Bank calculations, real growth of 5 per cent is needed over the next few years to supply the needs of the expanding population and at the same time to increase living standards and per-capita income by about 2.5 per cent.⁸⁹

Overall, relations between Europe and the Maghreb are marked by profound economic and social asymmetries. Trade with the Maghreb countries accounts for no more than 2.4 per cent of the total value of EU trade, whereas 60 per cent of these countries' exports, and 65 per cent of their imports, are effected with the EU. In 1993, Gross National Product in the Maghreb was 1.2 per cent that of the EU countries.⁹⁰ A major obstacle to economic modernization is the high foreign indebtedness of the three countries.⁹¹

The authoritarian character of the political regimes – indeed, what often amounts to „bad governance“, especially in Algeria – is combined with an *étatiste* economic system that has undergone rudimentary liberalization – with Algeria bringing up the rear in this area too. Reforms frequently come to a halt because a change in the economic *étatisme* would also bring the disintegration of the client system associated with it.⁹² The pressure for an opening-up, for liberalization and democratization, that became evident at the end of the 1980s, with the advent of the social changes, was either channelled off peacefully in a policy of „maintaining the system through controlled opening-up“,⁹³ or else was quelled with varying degrees of repression, as in Tunisia and – most brutally – Algeria. Even where elections could be regarded as free and fair, they have remained „ballots with no option of a change in power“. ⁹⁴ Turn-out is frequently used as proof of legitimacy.⁹⁵

88 George Joffé (n. 11), p. 34.

89 Based on Perthes/Kübel (n. 67), p. 8.

90 Aghrout/Geddes (n. 10), p. 229.

91 Thus in 1994, according to World Bank figures, Algeria's foreign debt stood at \$US29.898 billion, Tunisia's at \$US9.254 billion, and Morocco's at \$US22.517 billion. Taken from: George Joffé, Southern Attitudes towards an Integrated Mediterranean Region, in: Richard Gillespie (ed.), The Euro-Mediterranean Partnership: Political and Economic Perspectives, London (Frank Cass), 1997, pp. 12–29, this ref. 23.

92 For a detailed account of this, see John Waterbury, From Social Contracts to Extraction Contracts: The Political Economy of Authoritarianism and Democracy, in: Entelis (n. 55), pp. 141–76, and Clement M. Henry, Crisis of Money and Power: Transitions to Democracy?, *ibid.*, pp. 177–204.

93 Perthes/Kübel (n. 67), p. 34.

94 *Ibid.*, p. 36.

95 Bassma Kodmani-Darwish, Islamismus und Staat in der arabischen Welt, in: Internationale Politik, Vol. 52, No. 8, 1997, pp. 19–24, this ref. 22.

In this kind of political, economic, and social situation, the introduction of a free-trade area as envisaged in the Barcelona process is an enterprise that is hedged about with risks and whose chances of success must be regarded as slim.

6.1 Economic Problems

Close inspection reveals that the proposed free-trade area is one of those large-scale structural adjustment programmes of the type commonly prescribed for the developing countries since the 1980s by international financial organizations such as the World Bank and the International Monetary Fund. The economy is to be denationalized and deregulated, and the political-cum-administrative system is to be slimmed down and geared to suit the needs of the productive sectors of the national economy.

When it comes to the chances of the European Union and the southern Mediterranean countries actually achieving the stated objectives by means of the proposed free-trade area, there is unanimous wariness in the specialist literature.⁹⁶

It is likely, for example – at least in the initial years of any trade liberalization – that those industries in the Maghreb that have previously been protected by tariffs and that function less inefficiently than their European rivals, will be pushed out of the picture. In many areas, imports will be cheaper than Maghreb products. It is very unlikely that producers in the southern Mediterranean countries will quickly be able, through rationalization and modernization, to get anywhere close to European levels of efficiency.

The free-trade area will mean the disappearance of tariff revenues that have previously played a major part in financing the national budget. These revenues served chiefly to fuel not only the prevailing clientelist power-structures but also, to a limited extent, social relief measures (such as basic food subsidies).

Despite the unfavourable locational conditions, direct investments in the southern Mediterranean countries – however limited – were previously an attractive proposition for certain European companies, because high costs were covered by correspondingly inflated prices. This incentive too will now disappear.⁹⁷

96 On what follows here, see Volker Nienhaus, *Euro-Mediterraner Freihandel: Motor der wirtschaftlichen Entwicklung*, in: *Aus Politik und Zeitgeschichte*, B 39/97, 19 Sept. 1997, pp. 12–18. See also Émilie Arrighi de Casanova, *La Méditerranée: questions économiques*, in: *Défense nationale*, Vol. 53, No. 10, Oct. 1997, pp. 46–52; Agnès Chevallier/Gérard Kébabdjian, *L’Euroméditerranée entre mondialisation et régionalisation*, in: *Monde arabe: Maghreb/Machrek*, spec. issue on „Le Partenariat euro-méditerranéen“, Dec. 1997, pp. 9–18; Eberhard Kienle, *Libre-échange contre libéralisation politique: partenariat et stabilité dans le bassin méditerranéen*, in: *Politique Étrangère*, Vol. 63, No. 1, spring 1998, pp. 51–67.

97 On this, see esp. Charles-Albert Michalet, *Investissements étrangers: les économies du sud de la Méditerranée sont-elles attractives?*, in: *Monde arabe: Maghreb/Machrek*, spec. issue (n. 96), pp. 43–52.

Champions of free trade argue that where the price of imported goods decreases, the real purchasing-power of buyers increases.⁹⁸ Industries that work with these kinds of imported inputs could, they say, gain in international competitiveness – and the higher the previous tariffs, the greater the gain would be.⁹⁹ However, one important precondition for this is that there should already been an export industry in any country that is doing away with tariffs. But this is not the case in the Maghreb countries: their industries are essentially based – as explained – on minerals and agricultural products and will therefore not profit much from the free-trade area.¹⁰⁰

The Euro-Maghreb free-trade area will therefore only have a beneficial effect on development if functioning export-industries emerge. In view of the internally weak capital-market and the relatively high technological requirements, it would have to be via foreign direct investments – particularly European ones – that capital and technology flowed into the Mediterranean countries. As compared with the status quo, the free-trade area would considerably improve the chances of such investments. However, this is only a necessary, not a sufficient condition for actual investments. The latter depend on the availability of qualified manpower and adequate services, and of suitable conditions of supply and waste-disposal, and also on whether the legal and institutional framework-conditions are favourable and taxes and duties are low.¹⁰¹ In comparison with other regions of the world, however, the Maghreb does not display any particularly advantageous locational features when it comes to direct investment from abroad.¹⁰²

One last option would be for the Maghreb countries to exploit the increased access to the European markets in order to sell agricultural products and finished goods such as textiles and clothing. But this is precisely the domain in which EU import barriers still apply – albeit to a lesser degree than at the time of Barcelona. The southern EU member states, who are the most vociferous in their support for a European policy on the Mediterranean, are precisely the ones who are particularly keen to insulate themselves against Maghreb competition. At the same time, they hope for an opening-up of the European agricultural market. In view of GATT obligations, this is not excluded, but if it happens, it will take the form of

98 For a detailed account of this, see Nienhaus (n. 96), pp. 15–16.

99 See Daniel Piazzolo, Überwindung des Protektionismus: Handelsliberalisierung als Motor für Entwicklung, in: Internationale Politik, Vol. 53, No. 1, 1998, pp. 51–7.

100 See also Michel Chatelus, L'Énergie en Méditerranée: espace régional our marché mondial?, Monde arabe (n. 96), pp. 19–30.

101 See – in addition to Nienhaus (n. 96), p. 16 – Bertrand Bellon/Ridha Gouia, Investissements directs et avantages „construits“, in: Monde arabe (n. 96), pp. 53–63.

102 This worry applies to an even greater extent when the „hub-spoke effect“ is taken into consideration: in a free-trade area, firms invest in whatever is for them the most favourable location in the developed regions and they exploit the absence of tariffs to export into the less developed regions. On this, see Abdelali Jibli/Klaus Enders, Das Assoziierungsabkommen zwischen Tunesien und der Europäischen Union, in: Finanzierung & Entwicklung, Vol. 33, No. 3, Sept. 1996, pp. 18–20, this ref. 20. Interestingly, these authors concur with Saleh M. Nsouli et al., Die neue Mittelmeerstrategie der Europäischen Union, *ibid.*, pp. 14–17, in arriving at an essentially pessimist assessment of the advantages which the free-trade area would bring in terms of development.

a general easing of market access for agricultural products, and this in its turn would diminish the value of any special preferences accorded to the Mediterranean countries.¹⁰³

Taking everything into account, one can therefore conclude that the beneficial economic effects which a free-trade area between Europe and the Mediterranean would bring to the Maghreb countries would probably be very modest. The main beneficiaries would be businesses in the European Union, which would have easier access to the markets of the countries on the southern edge of the Mediterranean.¹⁰⁴ In the Maghreb, it would probably be the firms already active in foreign trade which, as strong, large-scale players on the market, would be able to adapt to the new conditions.¹⁰⁵ But such a development is hampered by the restrictions resulting from EU trade-barriers for agricultural products, the income from which would be a major source of foreign currency for the southern countries of the Mediterranean.

The workers in the firms that would come under pressure to rationalize would also be losers. Even if there were a general economic upturn following liberalization, the same individuals would not profit from it. Those working in small-scale industries and trades – who up to now have produced their goods for a protected internal market – and the army of low- and medium-ranking officials in the state apparatus would also be amongst the disadvantaged.¹⁰⁶ In contrast, all the experience to date indicates that sections of the formerly privileged classes will have adequate opportunity to profit from the new situation and to pass the costs of adjustment on to other groups. This means the deterioration in the social situation is likely to give added succour to any Islamist opposition – unless other branches succeed in putting competitive products on offer on the European market, or European companies create new jobs via „outsourcing“. But, as already explained, both possibilities are unlikely.

6.2 Political Problems

The creation of a large-scale free-trade area in the Mediterranean region requires – in addition to changes in the economic order – complementary action to reorganize state finances, render the administrative structures of the state functional, and build up modern social-security systems.

European financial assistance and economic co-operation are tied to conditions in the political „pillar“ of the partnership – to advances in democratization and to observance of human rights. However, the EU cannot push through economic and political transformation in bla-

103 See also Henri Regnault, *Les Échanges agricoles: une exception dans les relations euro-méditerranéennes*, in: *Monde arabe* (n. 96), pp. 31–41.

104 This is underlined by Lionel Fontagné/Nicolas Péridy, *The EU and the Maghreb*, Paris (OECD Development Centre), 1997, p. 16.

105 See Nienhaus (n. 96), p. 18.

106 The close enmeshment between public companies and the state bureaucracy is one of the major reasons why the privatization policy has so far made only halting progress.

tant opposition to the apparatuses of power (the government and/or the military); it relies on their willingness to co-operate.¹⁰⁷ The Barcelona process concerns relations between states and governments. Any attempt to impose a democratization process from outside is confronted with the dilemma of being dependent on the executive but at the same time wanting to support dissident forces. Implementation of the Barcelona process will encroach on established power-based interests in politics and the economy. The effect of a comprehensive policy of liberalization and denationalization would be to strengthen the position of other (private) economic actors and political forces *vis-à-vis* the old élites. But the EU wants to make sure that the space that is to be created for the social actors is not occupied by movements of an anti-Western/anti-European bent that are hostile to the principles and norms set out in the Barcelona document.

As explained at the outset, there are tentative beginnings of a civil society in the Maghreb countries. A system of institutional representation of, and exertion of influence by, special-interest groups has taken shape thanks to the creation of large numbers of national consultative councils for special problem-groups or problem-areas in society.¹⁰⁸ The process of structural adjustment so far has led to a situation in which non-state professional associations, women's groups, human-rights organizations, and other non-governmental organizations have begun to emerge as distinct individual entities.¹⁰⁹ Whether these organizations are already strong enough to develop into the agents of, and driving force behind, a process of democratization remains to be seen.

7. The Islamic Challenge and the Barcelona Process

Scepticism about the chances of the Barcelona process succeeding is all the more apt in that a hallmark of the political situation in all three countries of the Maghreb is the exclusion – by varying methods – of Islamist groupings. The possibility that the political liberalization and democratization which the Barcelona process is meant to promote, and the social dislocations associated with the introduction of Euro-Mediterranean free trade, will strengthen rather than weaken Islamist forces cannot be excluded – in fact, it is quite likely. As far as the future of Euro-Maghreb co-operation is concerned, therefore, the question of how European states and societies deal with the possibility of increased Islamist influence in the

107 See Rainer Tetzlaff, *Weltbank und Währungsfonds: Gestalter der Bretton-Woods-Ära*, Opladen (Leske + Budrich), 1996, p. 156 following pages. Tetzlaff cites comparative studies which show that all attempts to pursue „development policy from below“, in opposition to the government, have failed.

108 Sigrid Faath, *Stabilität und Autoritarismus in Nordafrika*, in: *Internationale Politik*, Vol. 51, No. 2, 1996, pp. 21–6, this ref. 25.

109 The literature on „civil society“ in Arab countries is more extensive than is supposed. By way of a selection, see: Norton, Vol. 1 (n. 78) and Norton, Vol. 2 (n. 61); Claudia Schöning-Kalendar/Aylà Neusel/Mechtild M. Jansen (eds.), *Feminismus, Islam, Nation: Frauenbewegungen im Maghreb, in Zentralasien und in der Türkei*, Frankfurt/M. (Campus), 1997.

region (up to an including the sharing or assumption of power) is a crucial one. This being the case, it is important to get a clear picture of how the relationship of Islamist movements to the market economy and democracy ought to be viewed.

Ever since revelation-based religions have existed, fundamentalist movements have sought to make the revealed word of God the sole yardstick for the religious and secular life of believers living in „theocracies“.¹¹⁰ Such movements retain their dynamism and explosiveness in the present age because they represent a reaction to the processes of secularization and to the risks associated with globalization.¹¹¹ This also applies to Islamic fundamentalism or Islamism.¹¹² However, the great degree of differentiation between the individual movements is a central feature, and this is mostly overlooked by the Western public.

7.1 Islam, Islamism, and Capitalism

The Islamic tradition does not really have a specific paradigm for economic affairs. Economics and trade have always been regarded as part of general human dealings, and these, in their turn, are regulated by the provisions of the *sharia*, or Islamic law¹¹³ – though it is true that the latter includes a whole range of prescriptions and prohibitions which, taken together, form the framework of an „economic policy“. These include a requirement to pay alms for the needy into a welfare fund, a ban on ambiguously worded contracts and on lending money without risk, and a ban on charging interest.¹¹⁴

Schemes for a specific, reform-minded „Islamic economy“ first began to emerge in the twentieth century, as a reaction to changes in the historical and economic situation in the Muslim countries.¹¹⁵ Particularly in the eyes of the Islamist opposition in the Maghreb –

110 On this, see the universal historical study by the sociologist Shmuel N. Eisenstadt, *Die Antinomien der Moderne: Die jakobinischen Grundzüge der Moderne und des Fundamentalismus*, Frankfurt/M. (Suhrkamp), 1998.

111 The debate about the causes and forms of modern fundamentalism cannot be described in detail here. For information on this, see, most recently, Bielefeldt/Heitmeyer (n. 22), esp. the introduction by the editors (pp. 11–33) and the piece by Martin Riesebrodt, *Fundamentalismus, Säkularisierung und die Risiken der Moderne*, (pp. 67–90).

112 See Bassam Tibi, *Die fundamentalistische Herausforderung: Der Islam und die Weltpolitik*, Munich (Beck), 1994; Friedemann Büttner, *Islamischer Fundamentalismus: Politisierter Traditionalismus oder revolutionärer Messianismus*, in: Bielefeldt/Heitmeyer (n. 22), pp. 188–210.

113 On what follows here, see Johannes Reissner, *Die innerislamische Diskussion zur modernen Wirtschafts- und Sozialordnung*, in: Werner Ende/Udo Steinbach (eds.), *Der Islam in der Gegenwart*, 4th ed., Munich (Beck), 1996, pp. 151–63.

114 On the attempts to set up an Islamic system of banking, see Volker Nienhaus, *Islamische Ökonomie in der Praxis: Zinslose Banken und islamische Wirtschaftspolitik*, in: *ibid.*, pp. 164–85.

115 On what follows here, see Karen Pfeifer, *Is There an Islamic Economics?*, in: Beinlin/Stork (n. 52), pp. 154–65, and Volker Nienhaus, *Zwischen Idealwelt und Weltwirtschaft: Islamische Ökonomie*, in: Hafez (n. 25), pp. 94–108.

which accuses the various governments of having neglected the social sector – both centralized economic planning and the free-market approach imported from the West have failed. Hence, in their view, only an „Islamic order“, strongly geared to moral values, can assure justice and prosperity. This habit in particular of tying social and economic policy to a superordinate moral-cum-ethical scheme secures the Islamists a high degree of credibility amongst a certain section of the population.

In general, Islamic „orders“ attach a different significance to the individual than does Western capitalism.¹¹⁶ Although the believer may also seek to increase his personal wealth, that wealth must be tied to the good of the Muslim community and to service to others. Thus the religious duty to give alms, for example, is much-lauded as an anticipation of the modern welfare-state. Enrichment via money-deals involving the granting of credit is rejected. The prohibition on speculation and on the acquisition of money and luxury goods – a prohibition imposed by the Islamic faith – is regarded as proof of the irreconcilability of Islam and Western materialism.

However, there is no agreement amongst the individual groupings as to what the practical content of an „Islamic economy“ ought to be. The spectrum extends from „social democratic“ concepts up to and including vigorous defence of the free market and private property. In general – even amongst Islamist groups – no fundamental hostility to a capitalist market economy is discernible; there is merely a concern to combat its individualistic Western „excrescences“. But the common substructure of values and methods

“does not produce a clear solution to every problem relating to the way society is ordered. A whole spectrum of projected orders can exist, all of which have been developed with due consideration for Islamic theory of knowledge and methodology and can therefore all lay claim to the epithet ‘Islamic’.”¹¹⁷

This means that, economically, the new „Islamic order“ which Islamist opposition-groups are calling for against the background of a partly ailing, partly rapidly changing economic situation in North Africa does not have to be either a regression into a medieval Muslim world or a rejection of Western capitalism and economic co-operation.¹¹⁸

7.2 Islam, Islamism, and Democracy

Tough as it may be to say precisely what constitutes an „Islamic economy“, it will be even more difficult to specify what „Islam“ and the „Islamists“ who profess it understand by

116 On the comments that follow, see Volker Nienhaus, *Islamische Wirtschaftsordnungen: Ideale und Realitäten in einer globalen Welt*, in: *Internationale Politik*, Vol. 52, No. 8, Aug. 1997, pp. 11–18.

117 *Ibid.*, p. 16.

118 *Ibid.*, p. 18. It is somewhat ironic, says the author, that the West should be trying to get governments to act in a development-minded way by imposing conditions on development co-operation, and that influential Islamic economists should be agitating for types of economic and political orders that imply just this, but that, despite the similarity of goals, the parties are moving no closer to one another.

„democracy“. That said, there is no disputing the close connection between the process of liberalization which had begun in the Maghreb countries in the mid-1980s and the emergence of political-cum-religious movements.¹¹⁹ Amongst the Western public, meanwhile, it is widely believed that democracy and Islam are incompatible.¹²⁰

The assertion that such antagonism exists is based on an erroneous formulation of the question. Every religion based on revelation, laying as it does absolute claim to the truth, is ultimately incompatible with democracy's pragmatic approach of removing questions of religious truth to the domain of personal conviction and of making the social sphere subject to a non-violent process of consensus- or majority-based decision-making. Either God (Allah) is supreme, or the people is. To this extent, the Christian religion too has always been, and still is, „incapable of democracy“. The question that needs to be posed, rather, is whether Islamic-influenced cultural circles allow of the sort of spaces for autonomy in the secular and religious sphere that can serve as a basis for the development of democracy.¹²¹

Islamic cultures, for example, combine elements that are „hostile to democracy and pluralism“ with elements „conducive to democracy“. Amongst the „hostile“ factors, used by radical Islamist groupings as an argument for creating a „theocracy“, is the requirement for unity between politics and religion and the rejection of secularist tendencies. An element highlighted by experts as being „conducive to democracy“ is the concept, long-established in Islam, of consultation, consensus, and the right to form one's own opinion – a concept also invoked by Islamist movements.¹²² In addition, it has been clear for some time now that the idea of „civil society“ is acquiring increasing importance in the political discourse in Muslim societies – particularly amongst intellectuals.¹²³ Repeated attempts are made by the various regimes – or by terrorist Islamists – to suppress this discourse, but it continues to run like a thread through the spiritual debate in the countries of North Africa.¹²⁴

119 See Smail Balic, *Die innerislamische Diskussion zu Säkularismus, Demokratie und Menschenrechten*, in: Ende/Steinbach (n. 113), 590–603; John L. Esposito/John O. Voll, *Islam and Democracy*, New York/Oxford (Oxford University Press), 1996, pp. 3–7.

120 Huntington, for example, denies that Islamic societies have any „capacity for democracy“ at all; the „third wave of democratization“ will, he says, break up when it encounters the Islamic world. See Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century*, Norman/London (Univ. of Oklahoma Press, 1991), pp. 301–9, and id., *Kampf der Kulturen* (n. 1), pp. 334–50. See also Hannes Stein, *Gott ist nicht Allah. Warum es keine islamische Demokratie gibt*, in: *Merkur*, Vol. 52, No. 7, 1998, pp. 654–7.

121 On this, see Gudrun Krämer, *Islam and Pluralism*, in: Rex Brynen/Bahgat Korany/Paul Noble (eds.), *Political Liberalization and Democratization in the Arab World*, Vol. 1: *Theoretical perspectives*, Boulder (Lynne Rienner), 1995, pp. 113–28.

122 Esposito/Voll (n. 119), p. 30.

123 See Ferhad Ibrahim, *Die arabische Debatte über Zivilgesellschaft*, in: id./Heide Wedel (ed.), *Probleme der Zivilgesellschaft im Vorderen Orient*, Opladen (Leske + Budrich), 1995, pp. 32–48; Saad Eddin Ibrahim, *Civil Society and Prospects of Democratization in the Arab World*, in: Norton (n. 80), pp. 27–54; Mustapha Kamel al-Sayyid, *The Concept of Civil society and the Arab World*, in: Brynen/Korany/Noble (n. 121), 131–47.

124 For a record of this discourse, see Erdmute Heller/Hassouna Mosbahi (eds.), *Islam, Demokratie, Moderne: aktuelle Antworten arabischer Denker*, Munich (Beck), 1998.

Western scholars and politicians often make the separation of politics and religion the sole yardstick of the capacity of Islamic-influenced countries for democracy.¹²⁵ This has blinded us to the fact that there is clearly already, *de facto*, a separation between – and a whole series of hybrids of – religion and state in the Islamic countries.

„In the whole of the history of Islam, [there has] not been a single state that was governed solely according to the rules of the Koran. Rather, the religious law, the Sharia, has been viewed as a more or less abstract basis for the Islamic state.“¹²⁶

It is not true to say that the political and religious rule of Hassan II in Morocco represents the absolute unity of politics and religion, nor that the secular governments in Algeria and Tunisia have succeeded in effecting a complete separation between state and religion (even in these countries, Islam is still the state religion).¹²⁷ What status Islam holds depends not least on the power relationships within society and on the political calculations of the government, its élites, and the military.¹²⁸ Islam can be exploited politically both to justify the status quo and to change it.¹²⁹

Hence, Islamism is not an inevitable product of „Islamic thought“; it is a spiritual-cum-political trend that has emerged in a specific historical context, and one that, in addition, is split into a myriad groups and grouplets.¹³⁰ These include – significantly, here, also in the Maghreb – many Islamist groupings who are willing to work to change political-cum-social reality by non-violent, reformist means – if given the chance.¹³¹

Pronouncements about the extent to which the Islamist opposition in the Maghreb is „capable of democracy“ will necessarily be unsatisfactory if the only thing to which its notions of political and social order are contrasted is a model of democracy of European-cum-North-American stamp.¹³² From this perspective, one will always conclude there is a „democratic

125 See Mahomood Monshipouri/Christopher G. Kukla, Islam, Democracy and Human Rights: The Continuing Debate in the West, in: Middle East Policy, Vol. 4, No. 2, 1994, pp. 22–39.

126 Angelika Hartmann, Der islamische „Fundamentalismus“: Wahrnehmung und Realität einer neuen Entwicklung im Islam, in: Aus Politik und Zeitgeschichte, B 28/97, 4 July 1997, pp. 3–13, this ref. 11.

127 See Bernhard Lewis, Islam and Liberal Democracy: A Historical Overview, in: Journal of Democracy, Vol. 7, No. 4, Apr. 1996, pp. 52–63; id., Demokratie und Religion im Nahen Osten, in: Transit. Europäische Revue, No. 14, 1997, pp. 118–31.

128 See Gudrun Krämer, Der „Gottesstaat“ als Republik: Islam und Demokratie, in: Hafez (n. 25), pp. 44–55.

129 This is stressed in particular by Nazih N. Ayubi, Islam and Democracy, in: David Potter et al. (eds.), Democratization, Cambridge (Polity Press), 1997, pp. 345–65.

130 See Gudrun Krämer, Islamist Notions of Democracy, in: Beinin/Stork (n. 52), pp. 71–82.

131 In contrast to this, there are warning voices telling us not to make a distinction between moderate and radical. The choice of the means used to attain to power is, they say, purely tactical. See Emmanuel Sivan, Constraints and Opportunities in the Arab World, in: Journal of Democracy, Vol. 8, No. 2, 1997, pp. 103–13.

132 This is highlighted in particular by Ali A. Mazrui, Islamic and Western Values, in: Foreign Affairs, Vol. 76, No. 5, 1997, pp. 118–32.

deficit“. At the national level, the political-cum-religious concepts of the Islamists ought therefore also to be „offset“ against the democratic plus and minus points of their respective governments. The same applies to the question of human rights – and indeed to women’s rights – in the countries of North Africa.

It is perfectly possible to justify human-rights-friendly positions on the basis of Islamic legal sources. It is not „Islam“, but at most a particular understanding of it, that causes difficulties in getting the idea of human rights implemented in the Islamic cultural circle.¹³³

Since it is likely that, in the long term, Islamist groups will have to be accorded a permanent place in the political spectrum of the Maghreb countries, and that they will become major actors in the formation of a Maghreb „civil society“ that is independent of the state, the present indiscriminating practice of forcing them out of the political sphere, using methods of a varyingly repressive kind, is counterproductive. All it does is give succour to the militant Islamist trends.

8. The Chances of Success for the Barcelona Process

The chances of the „Euro-Mediterranean partnership“ succeeding depend on a number of factors. First, it is crucial that the free-trade area trigger growth in the Maghreb. Secondly, the societies of the region must be pluralized and democratized. Although free trade without democratization is possible, in the concrete case of the Maghreb, it also requires the political break-up of the state-directed economy that operated there until the 1980s. However, as already shown, the conditions under which the „free trade + democratization = development“ strategy would be effective are only very patchily present in the Maghreb countries. It is probably unlikely that the aims of the Barcelona process will be achieved, even approximately, by the year 2010.

This prediction is not meant as a fundamental criticism of the European Union’s desire to help close the North–South development divide in the Mediterranean region – using what are, in some cases, entirely novel approaches. It is meant as a warning not to expect too much of the Barcelona process. The main way in which that process can ensure maximum impact is to support those trends that develop *within* the Maghreb states themselves, as a result of internal social changes. External subsidies and practical measures intended to assist structural adjustment in the economy, and also aids to democratization, can only be effective if they light upon social and economic actors who *actively want* to implement them.¹³⁴

133 Lorenz Müller, Islam und Menschenrechte: Das Bild im Westen und die arabische-sunnitische Diskussion, in: *Aus Politik und Zeitgeschichte*, B/28/97, 4 July 1997, pp. 21–7, this ref. 27. See also Gudrun Krämer, Islam und Menschenrechte, in: *Der Islam: Eine Einführung durch Experten*, Frankfurt/M. (Suhrkamp), 1998, pp. 53–67.

134 For a detailed treatment of this, see Tetzlaff (n. 107) and Harold James, *International Monetary Cooperation since Bretton Woods*, Washington D.C./Oxford (International Monetary Fund/Oxford University Press), 1996, pp. 539–46.

The chances of this kind of receptivity are, on the whole, not very great in the Maghreb region; but they are not totally unrealistic, if the individual countries are viewed in a discriminating way. What is more, they would improve if certain shortcomings in the current implementation of the Barcelona process were remedied by the EU.

In view of the general importance of „good governance“ for the success of a free-trade area, the task, in general terms, would be to temper the current emphasis on economic co-operation by instituting a policy more strongly geared to the creation of „civil-society“ structures.

Investigations into the effect of World Bank and IMF structural adjustment programmes on the economic efficiency of the recipient countries have reached mixed conclusions.¹³⁵ In the successful cases, they have helped accustom societies and their élites to respond to new demands more flexibly than before. They have countered the sort of outlook typical of a „rent-seeking society“ by stimulating elements of „profit-seeking society“.¹³⁶

The expectation – or, more accurately, the hope – underlying this approach is based on the notion that people will assume greater responsibility for shaping their future if the state largely withdraws from the economic sector and is replaced by general framework conditions for economic activity.¹³⁷ Amongst other things, this could, it is claimed, lead to a situation in which even those groups that have so far been marginalized by the political systems in the developing countries become „marketable“, economically and politically. Small- and medium-sized businesses would emerge and would form the basis of a new middle-class. This „market economics from below“ would, it is said, be a manifestation of a nascent „civil society“. And that society in its turn would necessitate – because it is dependent on it – economic stability of expectation, in the form of legal framework-conditions and the freedom to organize. Even though this „new constitutionalism“ would serve primarily to guarantee certainty of expectation for foreign capital,¹³⁸ it is none the less conceivable, so it is claimed, that the interplay with the emergent civil-society structures would result in the development of democratic forms of government.

If one considers the three countries under scrutiny here, their chances of being able to put what the Barcelona process has to offer for their social and political development to use in line with the above expectations varies.

Algeria appears to be furthest away from being able to participate in the free-trade area with a diversified export and import structure; its internal political situation is so blocked that even the communication framework in the third pillar of the Barcelona process will probably not have any effect in the foreseeable future.

135 For an evaluation of these investigations, see Tetzlaff (n. 107), pp. 124–40. It is difficult to determine whether the structural adjustment programmes were not at least relatively successful, and whether the situation in the recipient countries would not have been even worse without them.

136 Tetzlaff (n. 107), p. 131.

137 On what follows here, see Wolfgang Hein, *Unterentwicklung – Krise der Peripherie*, Opladen (Leske + Budrich), 1998, pp. 316–18.

138 On this, see Stephen Gill, *New Constitutionalism, Democratization and Global Political Economy*, in: *Pacifica Review*, Vol. 10, No. 1, Feb. 1998, pp. 23–8.

Of the three Maghreb countries, Tunisia is the furthest advanced in structural adjustment, but this process has now come up against the limits imposed on it by the political inflexibility of Ben Ali's regime.¹³⁹

At present, it looks as if Morocco has the best chance of combining structural adjustment in the economy with a liberalization and pluralization of the political regime. One explanation for this may be that the country's monarchical system of government is better able to carry out economic and social adjustment because it depends for its legitimation not so much on populist-cum-republican authoritarianism – of the sort that prevails in Algeria and Tunisia – but on tradition and on the fact that the king controls the military (and not the other way about).¹⁴⁰

Thus, even though the success of the Barcelona process depends overwhelmingly on the recipient countries, the EU can still make a better contribution to it in future by resolving some of the present shortcomings in the implementation of the programme.¹⁴¹

For the North African states, however, it would already be something if the EU import barriers for agricultural products and textiles were removed once and for all. The kind of interest-led opposition that would stand in the way of this has already been described. But this must surely be surmountable, if one considers that only comparatively small sacrifices are involved and that simple concerns about fishing quotas ought not to determine a central feature of EU Mediterranean policy. In this case, it is possible for the discrepancy between lofty symbolism and niggardly practical politics – which will undoubtedly remain part of the political bartering – to be reduced, provided there are interested states who want this to happen. If necessary, the southern EU states, which are resisting having a fully-fledged free-trade area in these sectors as well, must secure compensation elsewhere. The advantages to the Maghreb countries would, at all events, be much greater than the disadvantages to the EU.

As explained, any (long-term) stimulation to development which the free-trade area might produce in the Maghreb countries will only come about if state influence on the respective national economies is pushed back in favour of a competitive private sector. The impact of the difficult – and lengthy – transitional phase can be cushioned by financial transfers from the EU. This means the sums earmarked for economic and financial assistance should on no account be reduced when the current financial arrangement runs out in 1999. As regards future implementation, the EU should make specialist training-programmes and local credit-schemes a particular requirement.

139 Perthes/Kübel (n. 67), p. 42.

140 On this idea, see Daniel Brumberg, *Authoritarian Legacies and Reform Strategies in the Arab World*, in: Brynen/Korany/Noble (n. 121), pp. 229–59. See also Rémy Vevau, *Der Islam – eine Herausforderung für den Westen*, in: *Internationale Politik*, Vol. 52, No. 8, 1997, pp. 25–32, this ref. 29.

141 In my conclusions, I draw, inter alia, on suggestions and ideas from the following: Michael Dauerstädt, *Europa und Nordafrika: Mehr Paranoia als Partnerschaft* (Friedrich-Ebert-Stiftung: Reihe Eurokolleg, No. 36), 1996; Forschungsgruppe Europa, *Die Europäische Rolle im Nahen Osten und in Nordafrika auf dem Prüfstand* (Arbeitspapier im Forschungsprojekt der Bertelsmann Stiftung „Europa und der Nahe Osten“), Munich, Sept. 1997; Francis Ghilès, *La Méditerranée, un enjeu qui mérite une politique plus audacieuse*, in: *Politique étrangère*, Vol. 63, No. 1, spring 1998, pp. 69–76.

Up to now, implementation of the Barcelona process has relied too much on governments and the economic and social structures underpinning them. Of course, it will continue to be the case that no co-operation can be organized „over the heads“ of governments; but the European Union could push more strongly for non-state groups, including the Islamists, to be included in the dialogue process. In the long term, there will be no way round this.

One problem as far as the continuation of the Barcelona process is concerned is that the development of an intra-societal diversity of interests in the Maghreb also includes the development of groups that do not correspond to Western notions of a civil society. However, Islamist movements should not be excluded from the Euro-Mediterranean dialogue because of this. Hostility to Islamism is making European societies blind to the diverse forms of Islamic thinking and to the differentiations that exist within Islamism itself.

Dialogue will only be possible when the regimes of North Africa begin – either voluntarily or under constraint – to allow free expression by Islamist groups, movements, and parties, and when these latter (or at least the most important amongst them) renounce the use of violence in pursuit of their aims. This goal is still a long way off. Perhaps Europe’s most important contribution to „Euro-Maghreb partnership“ is to keep stressing that the core element of any civil society is the non-violent management of conflict.